



Hindustan Aeronautics Limited



59TH | ANNUAL REPORT
2021-22



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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,

It is my privilege to extend a very warm welcome to you all for the 59th Annual General Meeting of your Company.

The past two years have been a period of intense action and reflection. We have seen a global pandemic, geopolitical tensions, supply chain disruptions and other public and private upheavals. As the situation improved, I believe we are standing at the threshold of a period of great opportunity and growth.

The financial year 2021-22 was challenging for each one of us. During the second and third wave of COVID, your Company had taken adequate preparatory measures and strict safety protocols was in place, due to which the business activities of the Company could continue as usual.

I take this opportunity to share the performance highlights during the year and future outlook for the Company.

Financial and Performance Highlights of the Year

In the financial year 2021-22, your Company recorded the highest ever turnover of Rs. 24,36,166 Lakh, experiencing strong growth of 8% from the previous year's Rs. 22,50,096 Lakh. The Profit Before Tax (PBT) saw a growth of 22% from Rs. 4,27,738 Lakh to Rs. 5,23,115 Lakh while the Profit After Tax (PAT) increased by 57% from Rs. 3,23,945 Lakh to

Rs. 5,08,650 Lakh. Our Order Book position stood at a healthy Rs. 82,15,400 Lakh as on 31st March, 2022.

The Company has paid 1st & 2nd interim Dividend of Rs.14 per share and Rs. 26 per share respectively of Rs.10 each for the Financial Year 2021-22, totalling to Rs.1,33,755 Lakhs. Further, the Board of Directors of the Company has recommended a final dividend of Rs. 10 per share of Rs.10 each for approval of shareholders. On approval of the Final Dividend by the shareholders, total cash outflow for payment of dividend would be Rs. 167,194 Lakh.

During the year, the Company has produced 34 numbers of new Aircraft and Helicopters, covering LCA Tejas, Dornier Do-228, ALH Dhruv and Light Combat Helicopter (LCH) in addition to the production of 80 New Engines and Accessories, at its various Divisions. The Company has also overhauled 207 Aircraft / Helicopters and 506 engines during the year.

Your Company is deeply dedicated towards manufacturing of indigenous aircraft and helicopter under Atmanirbhar Bharat and to achieve greater milestones in coming years. In fact, out of the 34 new platforms manufactured during the year, 30 are of indigenously designed and developed. As a continuous pursuit towards greater self-reliance, imported LRUs, systems, components etc fitted on indigenous platforms are being taken up for indigenization under various routes through in-house as well as private industry involvement under Make I, Make II etc. In FY 2021-22, a total of 1412 items have been indigenized.



Significant Achievements

Your Company has witnessed several significant achievements during the year, some of which are highlighted as under:

- In a major boost to Atmanirbhar Bharat Mission, HAL has bagged a contract for production and supply of 15 Light Combat Helicopters (LCH) on 30th March, 2022.
- The green field helicopter factory of HAL at Tumakuru is in place, with stage 1 & stage 2 infrastructure facilities at an investment of Rs. 47,637 Lakh by the company, to take up manufacture of Light Utility Helicopters (LUH) and other future platforms with an initial capacity of 30 helicopters per annum.
- The Company has completed the investment of Rs. 1,20,000 Lakh as part of UP Defence Industrial Corridor (UPDIC) towards enhancement of capacity & capability at Lucknow, Korwa and Kanpur Divisions of HAL and Naini Aerospace Limited, a wholly owned subsidiary of HAL.
- The Hindustan-228 aircraft, a civil version of Do-228 had its first flight on 26th December, 2021 and attained Type Certification from DGCA on 19th May, 2022. It is the first project Type Certified by DGCA in civil commuter role.
- As a major step towards civil operations, HAL signed a lease agreement with Alliance Air Aviation Limited on 26th September, 2021 for the supply of two Civil Do-228 aircraft for regional operations in Arunachal Pradesh, aimed at giving boost to India's Regional Connectivity Scheme (RCS). Commercial operations commenced with the first flight on the Dibrugarh-Pasighat route on 12th April, 2022.
- In-line with Government's vision to boost defence exports to friendly foreign countries, HAL has signed contracts with Government of Mauritius (GoM) for supply of one Passenger Variant Do-228 (PVD) on 10th September, 2021 and for one Advanced Light Helicopter (ALH) Mk III helicopter on 19th January, 2022. Further, HAL also completed the production and delivered this Do-228 PVD to Mauritius on 6th April, 2022 within a record time of six months from contract conclusion.
- The heaviest Semi-Cryogenic propellant tank ever fabricated by HAL was delivered to Indian Space Research Organization (ISRO) on 5th October, 2021.
- The 83 LCA MK1A program attained a major milestone with the first flight of the prototype held on 20th May, 2022.
- HAL delivered the first set of hardware for Gaganyaan mission (first unmanned mission) as well as the 150th HAL made Satellite Bus-structure to Indian Space Research Organization (ISRO) on 4th April, 2022.

New Initiatives

During the year, your Company has taken many new initiatives. Some of the major initiatives are as under:

- HAL has launched new platform design and development programmes such as Combat Air Teaming System (CATS) Warrior, Hindustan Lead in Fighter Trainer HLFT-42, High Altitude Pseudo Satellite (HAPS), Utility Helicopter-Maritime, Deck Based Multi Role Helicopter (DBMRH).
- HAL has signed an MoU with Rolls-Royce on April 9, 2021 to explore the potential opportunity of HAL to become a "Build to Print" supplier for the MT30 (Gas Turbine) package for sales within the Indian market.
- HAL has signed an agreement with Rolls-Royce on September 14, 2021 for Make-in-India Adour engine parts to support Rolls-Royce's international defence customer base.
- HAL and ZeroAvia entered into a development collaboration agreement on 9th November, 2021 for hydrogen-electric powertrain capable of flying the 19 seat Dornier 228 aircraft up to 500 NM.
- HAL has signed an MoU with Max AeroSpace & Aviation Pvt. Ltd, Mumbai on 12th January, 2022 to explore business opportunities for MRO of civil aircraft. Both HAL and Max AeroSpace will focus on exploring the business for components and engine / Auxiliary Power Units (APUs), which is currently going outside India for maintenance.
- HAL has signed an MoU with Uganda Peoples Defence Forces (UPDF) on 3rd March, 2022 towards Co-operation for Repair, Overhaul and maintenance, supply of spares etc for Su-30 Mk2 of UPDF.
- HAL has signed an MoU with Safran Helicopter Engines (SafranHE) on 14th March, 2022 for exploring business opportunities in the area of Helicopter Engines, consistent with the goals of the Government of India's "Atmanirbhar Bharat" /Make in India initiative.
- HAL has entered into a MoU with Israel Aerospace Industries (IAI) on 4th April, 2022 to convert Civil (Passenger) aircraft to Multi Mission Tanker Transport (MMTT) aircraft in India. Under the pact, HAL will convert pre-owned Civil (Passenger) aircraft into air refueling aircraft, cargo and transport capabilities.
- Your Company had appointed M/s Boston Consulting Group (BCG) for providing strategic advisory services for devising a business cum long term growth plan. The Consulting firm carried out the study and submitted a draft report which is under review.

Future Outlook

- Aerospace and Defence industry is passing through an exciting time in which companies are focusing on



technology advancements and operational efficiencies. It is expected that advancements in UAVs, Aero-engines and EHPA (Electric and Hybrid Propulsion Aircraft) technologies are going to set the future path for the industry, whereas Industry-4.0, Additive Manufacturing, Digitalization, Artificial Intelligence, Augmented and Virtual Reality tools are going to be efficiency drivers.

- Contributing to the “Atmanirbhar Bharat” mission, HAL has been consistently involved in developing an aerospace ecosystem for achieving self-reliance in Defence. The Company is also playing a role in capability development in the country and promoting employment generation in Aerospace & Defense Sector by handholding the vendors and suppliers.
- While the Indian Defence market will continue to be a prime revenue source for HAL due to projects like LCA Mk1A, LCH, LUH and HTT-40, we are preparing ourselves to have differentiated products and services, required in the future, by making our systems more agile, effective and cost efficient. The futuristic projects such as LCA MkII, Twin Engine Deck Based Fighter (TEDBF), Advance Medium Combat Aircraft (AMCA), Indian Multirole Helicopter (IMRH), Aero Engines etc., will ensure the technological lead of HAL in the years to come.
- To boost the growth of the Company, HAL is focusing on the International Market, Civil Aviation, Civil MRO, UAVs and other diversified business opportunities through indigenous efforts and business collaborations with Indian Private Industry/global OEMs.

Research and Development (R&D)

Your Company has continued its efforts towards the Design and Development of new platforms/ products / technologies and activities to enhance its capability with a view to bring technological superiority to its products and to cope up with the future technological challenges. These efforts have resulted in major achievements such as successful demonstration of deck based operations capability and integration of Medical Intensive Care Unit (MICU) etc on ALH MkIII, the capability of IJT to carry out six turn spins, completion of the erect spin certification flight trials on HTT-40, successful integration of lithium-ion main battery following flight trial on HTT-40, use of lithium-ion battery for military aviation is first in the continent. Towards the progress of various R&D efforts, the company has incurred a total expenditure of Rs. 1967 Crore in the year 2021-22, which is 8% of the turnover as against 7.50% of turnover in the previous year.

Corporate Governance

Your Company always strives to attain the highest standard of Corporate Governance practice. The Company has complied with the Guidelines on Corporate Governance framed by

the Department of Public Enterprises (DPE) and SEBI Listing Regulations except for the appointment of the requisite number of Independent Directors. 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. We are constantly reviewing the Policies and Procedures of the Company and updating them to ensure transparency in all aspects of the Company's working.

Corporate Social Responsibility and Sustainability Development

As always, your Company is committed to social responsibility. We have undertaken various programmes and projects, towards integrating our social and business goals in a sustainable manner in line with schedule VII of the Companies Act, 2013. An amount of Rs 7,827 Lakh has been spent under CSR in the Financial Year 2021-22 and Rs. 300 Lakh has been deposited in the Unspent CSR Account against the CSR budget/ obligation of Rs.8,100 Lakh.

Acknowledgement

Your Company will continue to pursue global standards, and I am confident that the Company will achieve many milestones. We hope to attain all round success with the continued support and guidance of all our stakeholders.

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, Army, Navy, Coast Guard, Border Security Force, ISRO and other Global Aviation Companies.

I also 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 in our achievements.

I am grateful to my colleagues on the Board for their valuable guidance and acknowledge the immense contribution and dedication of the employees of the Company at all levels.

JAI HIND



Place : Bengaluru
Date : July 15, 2022

R. Madhavan
Chairman and Managing Director



Corporate Information

BOARD OF DIRECTORS (As on June 28, 2022)

Shri R Madhavan

Chairman & Managing Director (CMD)

Shri Arup Chatterjee

Director (Engineering and R&D)

Shri C B Ananthakrishnan

Director (Finance) & CFO

Shri Alok Verma

Director (Human Resources)

Shri Jayadeva E P

Director (Operations)

Shri Chandraker Bharti

Joint Secretary (Aerospace)

Ministry of Defence

Govt. Nominee Director

Dr. Tessy Thomas

Director General (Aeronautical System)

Aeronautics Development Establishment (ADE)

Govt Nominee Director

Dr Divya Gupta

Independent Director

Shri Deepak Abasaheb Shinde

Independent Director

COMPANY SECRETARY

Shri G. V. Sesha Reddy

Executive Director

(Company Secretary)

Bankers

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

Statutory Auditor

M/s. Maharaj NR Suresh and Co.,LLP
Chartered Accountants, Bengaluru

Branch Auditors

M/s. S Srivastava & Co.,
Chartered Accountants, Luknow

M/s. C V K & Associates
Chartered Accountants, Mumbai

M/s. K. Prahlada Rao & Co.,
Chartered Accountants, Hyderabad

M/s. D N Dokania & Associates
Chartered Accountants, Bengaluru

M/s. Rajesh K Jhunjhunwala & Co.,
Chartered Accountants, Cuttack

M/s. Abhijit Dutt & Associates
Chartered Accountants, Kolkata

M/s. P. L. Tandon & Co.,
Chartered Accountants, Kanpur

M/s. Ganesan and Company
Chartered Accountants, Bengaluru

M/s. R Bupathy & Co.,
Chartered Accountants, Bengaluru

M/s. Sekharan Associates
Chartered Accountants, Bengaluru

M/s. A. Sachdev & Co.,
Chartered Accountants, Luknow

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

M/s. S S B & Associates

Chartered Accountants, Bengaluru

M/s. B.N. Subramanya & Co.,

Chartered Accountants, Bengaluru

M/s. P.K. Rungta & Co.,

Chartered Accountants, Bengaluru

Ms. P.V. Menon & Associates

Chartered Accountants, Bengaluru

M/s. Badari Madhusudhan & Srinivasan,

Chartered Accountants, Bengaluru

M/s. A P Kunjithaya & Co.,

Chartered Accountants, Bengaluru

Cost Auditor

M/s. GNV & Associates,

Cost & Management Accountants, Bengaluru

Legal Advisor

M/s. Sundaraswamy & Ramdas,

Advocates, Bengaluru

Tax Consultants

M/s. PricewaterhouseCoopers Private Limited,

Bengaluru

M/s. BSR & Co. LLP,

Chartered Accountants, Bengaluru

Credit Rating Agencies

M/s. ICRA Limited

M/s. CARE Ratings Limited





Board of Directors (as on June 28, 2022)



Shri R. Madhavan
Chairman and Managing Director

Shri R. Madhavan was appointed as Chairman and Managing Director (CMD) of the Hindustan Aeronautics Limited (HAL) with effect from September 1, 2018. He is a graduate in Mechanical Engineering from NIT, Raipur and also holds post graduate degree of M. Tech from IIT Madras. He joined HAL as a Management Trainee (Technical) in July, 1982 and has been associated with the company around 40 years.

Prior to his elevation as CMD of HAL, Shri Madhavan held the position of Executive Director, Accessories Division at Lucknow. He spearheaded successful absorption of technology for production of Su-30 Airframe & Engine accessories from raw material phase. During his tenure, the division was awarded the best performing Division (Customer Services) award in company-wide competition during January 2016.

With his rich and varied experience, Shri Madhavan has provided solutions related to intricate technical problems and strategic issues. He has given valuable inputs as a member of Tri-service committee for high altitude operation of Helicopters and had overseen successful launch of export of Engine sets to USA while in Engine Division, Bangalore, which led to considerable improvement in the Division's process to meet the international standards.

He had also extensively contributed to GOI's "Make in India" strategy by developing MSME sector vendors for Aerospace Manufacturing and had set roadmap for enhancing self-reliance & self-sufficiency through indigenization efforts for obsolescence management and for developing alternate technology leading to product improvement & reduction in cost. Under Shri Madhavan's leadership, HAL has earmarked Indigenization as "Key Thrust Area" and over a period has refined its internal machinery and policy for indigenisation of components, accessories and systems required for manufacturing as well as repair & overhaul of aircraft, engine and equipment.

Shri Madhavan in the capacity of Chairman of Aerospace & Aviation Sector Skill Council is contributing immensely to meet the challenge of skill development. As part of Government of India's ambitious programme to encourage innovation, Shri Madhavan is appointed as one of the Director of Defence Innovation Organisation (DIO) which is doing pioneering work in providing impetus to technology start-ups in the country in Aerospace and Aviation sector.

Shri Madhavan had also taken several e-initiatives, implementation of which have brought in systemic changes, transparency & process improvements. Under his leadership, HAL is embarking upon a major e-initiative called "Project Parivartan" in a journey to revive company's ERP system to increase operational efficiencies.

An avid reader and active in professional societies, Shri. Madhavan is a member of Aeronautical Society of India. He is also a member of Governing Council of CMTI and CSIR-NAL.



Shri Arup Chatterjee

Director (Engineering and R&D)

Shri Arup Chatterjee is a B.Tech in Mechanical Engineering from Jadavpur University and has done M. Tech in Aircraft Production Engineering from IIT, Chennai. He has also done MBA from IGNOU.

Shri Chatterjee joined HAL as 17th Batch Management Trainee in the year 1982. He had held several key positions in the Company prior to his appointment as Director (Engg. and R&D) w.e.f June 1, 2018.

Shri Arup Chatterjee has around 40 years of wide experience in Aerospace Industry. During his career span, Shri Chatterjee has served in various Divisions of HAL. He was the head of various departments in the field of Avionics Equipment required for Russian & Western origin Aircraft platform, in Korwa Division, where he has served for 28 years. He has also served in Kanpur Division for 4 years in the field of Air Frame Manufacturing, for Dornier, Avro & UAV Projects.

Further, he had served in Koraput Division of HAL, where he had immensely contributed in various programmes / projects viz., Repair & Overhaul of R25, R29B & R33 engines for MiG series fighter aircraft as well as Manufacture & repair/overhaul of AL31FP engines for Su-30 aircraft. Prior to his elevation to the post of Director (Engg. and R&D), he was the General Manager of Aircraft Research & Design Centre.

He had successfully steered Completion of IOC for LCH (Army), Completion of IOC for LUH (IAF & Army), Completion of 6 turn spin on HTT-40, FOC for Jaguar DARIN III Upgrade, Operational Clearance for ALH Mk III for Indian Coast Guard and Indian Navy and Reinitiating IJT project for spin trials.

Many new projects have been taken up under his leadership which have futuristic potential. Some of them are Tailboom folding & 2-segmented blade folding on ALH, IMRH, 200kg RUAV, LUH Civil, CATS, LCA Mk-IA, Avro Upgrade and major LRUs development for outlying divisions.



Shri C B Ananthakrishnan

Director (Finance) & CFO

Shri C B Ananthakrishnan was appointed as Director (Finance) & CFO of the Company with effect from August 1, 2018. He is a Commerce Graduate and Post Graduate in Business Administration from Madras University and is a fellow member of Institute of Cost Accountants of India. He has also received management and leadership training from Indian Institute of Management, Ahmedabad and *Institut Aeronautique et Spatiale* (IAS) Toulouse, France.

Prior to his appointment as Director (Finance), he was holding the post of Executive Director (Finance) in Corporate Office of the Company and handling overall Financial Planning and strategy, treasury management and taxation.

He joined HAL in 2004 and has over 35 years of work experience in both public and private sectors with stints in merchant banking, pharmaceuticals, fertilizers and Aerospace Industries. During his stints in Helicopter Division as Head of the Finance, he was instrumental in developing financial strategies and policies for pricing, cost control and profit planning for achieving overall goals of the Company and also secured one of the largest Helicopter Contracts for the Company valuing in excess of ₹ 14000 Crore. He was instrumental for Conclusion of prices for Repair & Overhaul and Supply of Spares by 3rd Pricing Policy Review Committee (PPRC), Conclusion of 73 ALH Contracts for Army and IN & ICG and Implementation of Ind AS etc.

He has played a pivotal role during Initial Public Offering (IPO) and listing of the Company shares during March 2018. He was instrumental in securing orders of 83 LCA MK IA and 15 LCH.



Shri Alok Verma
Director (Human Resources)

Shri Alok Verma was appointed as Director (Human Resources) of the Company w.e.f January 1, 2020. Prior to his appointment as Director (Human Resources), he was holding the post of General Manager (Human Resources - Employee Relations) of the Company. He holds a Bachelor's Degree in Science from Patna University and Post Graduate Degree in Social Work. He also holds an LLB from Jiwaji University and a Post Graduate Diploma in Computer Applications from Punjab Technical University.

Shri Alok Verma joined HAL as Chief Manager (Human Resources) at Nasik Division in the year 2006. During his stint at Nasik, he took over the reins of the HR Function at HAL Hyderabad wherein he was instrumental in transforming the face of Employee Management Relations.

Shri Alok Verma played a key role in accomplishing the tasks planned during the year which were targeted towards overall growth of HAL. His major contributions include Introduction of scheme for providing Financial Assistance to the dependents of deceased employees; Development of Succession Planning Dashboard; Talent Acquisition and relentless efforts towards optimum utilization of manpower in HAL. Having started his career with National Fertilizers Ltd. in November 1987, Shri Verma brings to the table, a rich and a diverse experience of over three decades in the Human resources function.



Shri Jayadeva E. P.
Director (Operations)

Shri Jayadeva E. P. was appointed as Director (Operations) of the Company w.e.f June 10, 2022. Prior to his appointment as Director (Operations), he was holding the post of General Manager, LCA Tejas Division, of the Company. He holds a bachelor's degree in Electrical Engineering from University Visvesvaraya College of Engineering, Bangalore and did Masters from IIT Madras in Aircraft Production Engineering.

He joined HAL in 1987 as a Management Trainee, and has about 33 years of experience in the areas of Manufacturing, Assembly, Overhaul, Upgrades, Customer support, Indigenisation and other Management functions. He was instrumental in establishment of Repair & Overhaul and Upgrade facility for Kiran, Hawk and Mirage Aircraft at Overhaul Division. He was also instrumental in developing indigenously high value Ground Support Equipment / Ground Handling Equipment.

He undertook the Product Quality enhancement initiatives and capacity augmentation process for Light Combat Aircraft (LCA) to double the rate of production to 16 aircraft per annum.

Shri Jayadeva steered the finalization of 83 LCA MK1A Contract with IAF during the year 2021.



Shri Chandraker Bharti
Joint Secretary (Aerospace),
Govt. Nominee Director

Shri Chandraker Bharti was appointed as Government Nominee Director of the Company w.e.f May 15, 2018. He was also served as Government Nominee Director of the Company from April 27, 2017 to February 28, 2018. He is an engineering graduate from Delhi College of Engineering, joined the Indian Administrative Services in September 1996. He has also acquired M.Sc degree in Public Management & Policy from London School of Economics & Political Science, UK.

He has more than 25 years of experience in Civil Services and held various important assignments, which include Additional Commissioner, Department of Sales Tax, Govt. of NCT of Delhi; Director, Ministry of Commerce & Industry; Development Commissioner in various Government Departments such as Agriculture, Finance & Planning, Industries & Commerce, Information Technology, etc. in the Union Territory of Pondicherry. He had also served for a short period at Health & Family Welfare and Environment & Forest Departments of Govt. of NCT of Delhi.



Dr. Tessy Thomas

Director General
(Aeronautical System), ADE,
Govt Nominee Director

Dr. Tessy Thomas was appointed as Government Nominee Director of the Company with effect from July 2, 2018. She is a Post-Graduate in Mechanical Engineering with specialization in Guided Missiles from Institute of Armament and has also done MBA in Operations Management from Indira Gandhi National Open University. She has been awarded Doctor of Philosophy (Ph.D) in Missile Guidance by Jawaharlal Nehru Technological University, Hyderabad.

Dr. Tessy Thomas, who is currently serving as Director General, Aeronautical Systems in Aeronautical Development Establishment, Bangalore, has served more than 33 years in DRDO. She had held multi-dimensional roles & responsibilities and had contributed in various fields such as Guidance, Control, Inertial Navigation, Trajectory Simulation and Mission Design. Dr. Tessy Thomas had held various key assignments in DRDO, which include Project Director for AGNI-4 project, Project Director (Mission) for the long range AGNI-5 system, Director, Advanced Systems Laboratory, DRDO.

Dr. Tessy Thomas is the Chairperson of Board of Governors of the Indian Institute of Science Education & Research, Thiruvananthapuram and Indian Society for Advancement of Materials & Process Engineering, Hyderabad Chapter. Dr. Tessy Thomas is also a member in various other Professional Institutions and Societies related to Science, Technology and Engineering.

Dr. Tessy Thomas has been conferred with various prestigious Awards / Honours, the latest being the "First Ladies" Award for First Missile Woman of India from the Hon'ble President of India as Exceptional Woman who transcended barriers to be the First in their Fields on January 21, 2018.



Dr. Divya Gupta

Independent Director

Dr. Divya Gupta has been appointed as Non-Official (Independent) Director on the Board of our Company on December 28, 2021. She is a Doctor by profession and has more than 36 years of experience in handling corporate affairs being director in two companies, where she involves herself in decision making process and playing a crucial role in increasing the shareholders' wealth.

She is also an active member of various social organisation where she immensely contributed to the society especially for making women self-dependent and capable. She is a columnist and keeps regularly writing in newspapers & magazines, on social issues.

Apart from various awards and accreditations she got in the past, she was recently awarded with "Dr. Sorojini Naidu International Award for Best Working Women" during year 2021.



Shri Deepak Abasaheb Shinde

Independent Director

Shri Deepak Abasaheb Shinde has been appointed as Non-Official (Independent) Director on the Board of our Company with effect from April 28, 2022.

Shri Shinde has done B.E (Civil) from Shivaji University, Kolhapur and M.Tech (Civil, Structural Engg.) from IIT Madras.

After completing his post-graduation from IIT Madras in 1981, he worked in a family firm Miraj Concrete Works where he executed various Irrigation pipeline projects. He has more than 40 years' of work experience in different field and has promoted various private Ltd Companies during this period. He was also associated with Professional, Industrial, Financial, Educational and Social Organizations in different capacity.

Chief Executive Officers (CEOs) (as on June 28, 2022)



Shri Sajal Prakash

Chief Executive Officer, Accessories Complex

Shri Sajal Prakash, Chief Executive Officer, Accessories Complex holds a degree of B. Tech in Mechanical Engineering from HBTI, Kanpur, M. Tech in Aircraft Production Engineering from IIT, Madras and has completed Leadership Development Program at IIM, Ahmedabad and IAS Toulouse, France. He started his career in HAL as a Management Trainee (Tech.) in the year 1986. During his career spanning over 35 years in HAL, he has worked in Transport Aircraft Division – Kanpur, HAL Corporate Office and Helicopter Division, Bangalore before taking charge as Chief Executive Officer of Accessories Complex w.e.f September 1, 2019.



Shri Amitabh Bhatt

Chief Executive Officer, Bangalore Complex

Shri Amitabh Bhatt, Chief Executive Officer, Bangalore Complex holds a degree of B.Sc. (Engg.) in Mechanical from Regional Engineering College (REC), Rourkela and a Post Graduate Degree in Management. He has undergone 'Leadership Development Program', at IIM-Ahmedabad and at Institute of Aerospace Studies, Toulouse, France. During his career span of 34 years of professional experience in Marketing, Planning and Projects, both in Private and Public Sector Company, he has worked in Fusion Engineering Products Ltd and SKF India Limited, prior to joining to HAL as DGM (Marketing) in the year 2006. He has led the team as Chief of Projects (LUH), for setting up an integrated new Helicopter Factory at Tumkur. In addition to this, he led the Business Development activities of Helicopter Complex, involving Sales & Marketing and Program Management. He was appointed as Chief Executive Officer, Bangalore Complex w.e.f. February 1, 2020.



Shri Anbuvelan S

Chief Executive Officer, Helicopter Complex

Shri Anbuvelan S, Chief Executive Officer, Helicopter Complex, a graduate in Mechanical Engineering from Algappa Chettiar College of Engineering, Karaikudi, Tamil Nadu and holds a degree of M.Tech in Aircraft Production Engineering from IIT Madras and Post Graduate Diploma in Business Management from XIME, Bangalore. He started his career in HAL as Management Trainee (Technical) on July 21, 1986 and has been associated with HAL for 36 years. He has expertise in end-to-end process optimisation, Manufacturing, Quality and Supply Chain management. He was elevated to the position of Executive Director, Helicopter Division in July 2020 before taking charge as Chief Executive Officer of Helicopter Complex w.e.f October 1, 2020.



Shri Dibyendu Maiti

Chief Executive Officer, MiG Complex

Shri Dibyendu Maiti, Chief Executive Officer, MiG Complex, a graduate in Mechanical Engineering from REC Durgapur and holds a degree of M.Tech in Aircraft Production Engg from IIT, Madras and MS in Aeronautics & Space Technology from ENSAE, Toulouse, France. During his career spanning over 36 years in HAL, he has worked at Nasik Division, MiG Complex Office and Corporate Office at various positions in various capacities. He contributed significantly towards indigenous development of highly complicated test rigs for RD-33 engine accessories & BISON upgrade. He was instrumental in establishing the ROH facilities of Su-30MKI Aircraft. During his tenure in Corporate Office, he played a key role in activities such as 'Perspective Plan 2021-2030'. He was appointed as Chief Executive Office, MiG Complex w.e.f July 1, 2021.



Major Achievements



Advanced Light Helicopter Dhruv Mk III MR successfully demonstrated its deck-operations capabilities that include landing on deck, folding of blades and storing the helicopter inside the onboard hangar during April 2021.

HAL successfully integrated Medical Intensive Care Unit (MICU) on board two ALH MK III of Indian Navy deployed at INS Hansa, Goa during May/June 2021.



The heaviest Semi-Cryogenic propellant tank (SC120- LOX) ever fabricated by HAL was delivered to Indian Space Research Organization (ISRO) on October 5, 2021.



HAL successfully carried out 'Ceremonial First Flight' of upgraded Dhruv Civil Helicopter on November 26, 2021.



Major Events



Hon'ble Prime Minister, Shri Narendra Modi handed over HAL produced indigenous Light Combat Helicopter (LCH) to the Indian Air Force (IAF) during the 'Rashtriya Raksha Samarpan Parv' celebrations to mark the 75th year of India's independence, held at Jhansi on November 19, 2021.

HAL delivered second batch of two Dhruv Mk-III Advanced Light Helicopters (ALH) to Indian Coast Guard as part of 16 ALH Mk-III contract. The helicopters were ferried out to Porbandar, Gujarat on June 26, 2021.



In-line with Government's vision to boost defence exports to friendly foreign countries, HAL signed a contract with Govt. of Mauritius (GoM) for export of one Advanced Light Helicopter (ALH Mk III) for Mauritius Police Force on January 19, 2022.

HAL handed over second interim dividend cheque of Rs. 653.36 crores for the FY 2021-22 to the Hon'ble Defence Minister, Shri. Rajnath Singh on April 5, 2022.





Visitors



Hon'ble Vice President of India, Shri Venkaiah Naidu, paid his maiden visit to HAL facilities accompanied by Hon'ble Governor of Karnataka, Shri Thaawarchand Gehlot, on August 20, 2021.

Shri. Ashwani Bhatia, Managing Director (CB & GM), State Bank of India and Shri. Keshav Kumar T, Deputy Managing Director (CCG-III), State Bank of India visited Bangalore Complex and Helicopter Complex on September 18, 2021



Air Chief Marshal V.R. Chaudhari, PVSM, AVSM, VM, ADC, Chief of the Air Staff visited HAL facilities on October 22, 2021 to review the progress on various projects in hand.

Shri Ajay Bhatt, Hon'ble Minister of State for Defence and Minister of State for Tourism visited HAL facilities in Bengaluru on October 29, 2021.





New Business Initiatives



HAL signed an agreement with Rolls-Royce on September 14, 2021 for Make-in-India Adour engine parts to support Rolls-Royce's international defence customer base.



HAL signed a lease agreement with Alliance Air Aviation Limited for the supply of two Civil Do-228 aircraft for regional operations in Arunachal Pradesh in Bengaluru on September 26, 2021.



Glimpse of CSR Activities



Hon'ble Defence Minister, Shri Rajnath Singh and Hon'ble Chief Minister of UP, Shri Yogi Adityanath visited the 255 bedded Covid Care Hospital setup by HAL at the Haj House, Lucknow, Uttar Pradesh on May 11, 2021.

HAL supported the establishment of Centralized Kitchen run by Akshaya Patra Foundation in Bengaluru, Karnataka for providing mid-day meals to 5000 children per day in Government schools. The same was inaugurated on August 18, 2021.



HAL has constructed New School Building & Dormitory for students at Kasturba Gandhi Balika Vidyalaya, Barabanki, Uttar Pradesh.

Model Schools equipped with Smart Class Rooms were established at Koraput, Odisha towards Promotion of school Education in rural areas by providing high quality infrastructure support.



Financial Highlights

Sl. No.	Particulars	Units	07-08	08-09	09-10	10-11	11-12	12-13
A	Our Earnings							
	Sales - Inland	₹ Cr.	8284	9937	11252	12878	13856	13941
	Export Sales	₹ Cr.	341	437	205	237	348	383
	Total Sales	₹ Cr.	8625	10374	11457	13115	14204	14324
	Changes in WIP & SIT& FG	₹ Cr.	166	1437	2033	3335	-1511	-122
	Total	₹ Cr.	8791	11811	13490	16450	12693	14202
B	Our Outgoings							
	Cost of Materials	₹ Cr.	4684	7636	9222	11772	5761	8008
	Manpower Cost	₹ Cr.	1803	2543	1954	2246	2721	2446
	Net Operating Cost	₹ Cr.	1686	887	985	765	2813	2383
	Net Financing Cost	₹ Cr.	-1664	-1732	-1525	-1341	-2107	-2316
	Depreciation	₹ Cr.	118	142	166	169	177	184
	Total	₹ Cr.	6627	9476	10802	13611	9365	10705
C	Our Savings							
	Profit Before Tax	₹ Cr.	2164	2335	2688	2839	3328	3497
	Provision For Tax	₹ Cr.	532	595	721	725	789	500
	Profit After Tax For Appropriation	₹ Cr.	1632	1740	1967	2114	2539	2997
D	We Own							
	Net Block	₹ Cr.	1080	1328	1466	1509	1556	1548
	Other Assets (net)	₹ Cr.	5585	6816	8163	9722	11260	13397
	Total	₹ Cr.	6665	8144	9629	11231	12816	14945
E	We Owe							
	Equity	₹ Cr.	121	121	121	121	121	121
	Reserves and Surplus	₹ Cr.	5163	6496	8003	9625	11218	13257
	Shareholders' Funds	₹ Cr.	5284	6617	8124	9746	11339	13378
	Deferred Tax Liability	₹ Cr.	1379	1525	1505	1485	1477	1567
	Long Term Borrowings	₹ Cr.						
	Short Term Borrowings	₹ Cr.						
	Total	₹ Cr.	6665	8144	9629	11231	12816	14945
F	Cash and Bank Balance		19646	19745	18658	20099	21933	19128



13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
14688	15131	16140	17139	17970	19416	21016	22261	24194
440	490	446	465	314	405	212	240	168
15128	15621	16586	17604	18284	19821	21228	22501	24362
740	667	566	-501	-731	-1171	-638	-2457	-592
15868	16288	17152	17103	17553	18650	20590	20044	23770
9149	8882	9172	8692	8046	7664	8760	8740	9412
2685	3379	3274	3569	4299	4295	4764	4291	4590
2349	2215	2734	1873	2296	2645	2471	2197	4529
-2064	-1622	-1549	-880	-610	-14	347	239	-288
171	262	314	266	282	318	310	300	296
12290	13116	13945	13520	14313	14908	16652	15767	18539
3578	3172	3207	3583	3240	3742	3938	4277	5231
885	784	1209	967	1253	1396	1096	1038	144
2693	2388	1998	2616	1987	2346	2842	3239	5087
1582	1559	1694	1985	2391	2728	2882	2690	2535
15794	13996	10140	12462	8936	13463	16204	12687	16729
17376	15555	11834	14447	11327	16191	19086	15377	19264
482	482	362	362	334	334	334	334	334
14533	14412	10657	12175	9151	11741	12865	15034	18930
15015	14894	11019	12537	9485	12075	13199	15368	19264
1682	661	815	960	978	0	0	0	0
				100	100	0	0	0
679			950	764	4016	5887	9	0
17376	15555	11834	14447	11327	16191	19086	15377	19264
16935	17671	13299	11117	6524	95	298	7166	14344

Sl. No.	Particulars	Units	07-08	08-09	09-10	10-11	11-12	12-13
G	Financial Statistics							
	Revenue from Operations (Net)	₹ Cr.				13124	14211	14328
	Value of Production	₹ Cr.	8791	11811	13490	16450	12693	14202
	Value Added	₹ Cr.	4107	4175	4268	4678	6932	6194
	Dividend							
	Dividend	₹ Cr.	327	348	393	423	814	824
	Dividend Tax	₹ Cr.	56	59	67	69	132	134
	Total	₹ Cr.	383	407	460	493	946	957
	Govt Share							
	Dividend	₹ Cr.		348	393	423	814	824
	Dividend Tax	₹ Cr.		59	67	69	132	134
	Total	₹ Cr.		407	460	493	946	957
	Other than Government - share							
	Dividend	₹ Cr.						
	Dividend Tax	₹ Cr.						
	Total	₹ Cr.		0	0	0	0	0
	R & D Expenditure	₹ Cr.	662	675	832	987	968	1949
	EBITDA	₹ Cr.	2651	2905	3383	3654	4051	4098
	Inventory	₹ Cr.	8615	10431	13660	17427	16153	17980
	Trade Receivables	₹ Cr.	1486	1848	1858	2318	3917	5530
	No. of Employees	Nos.	34323	34822	33990	33681	32659	32644
	No of Equity Shares	Cr.	12.05	12.05	12.05	12.05	12.05	12.05
H	Financial Ratios							
	Sales Per Employee	₹	2512892	2979151	3370697	3893887	4349184	4387943
	Value Added Per Employee	₹	1196574	1198955	1255663	1388914	2122539	1897439
	PBT to Sales	%	25	23	23	22	23	24
	Earnings Per Share	₹	135.44	144.40	163.24	175.44	210.71	62.18
	Dividend as %age of Equity (including Dividend Tax)	%	318	338	382	409	785	199

1. The Government of India, on 27/08/2020 – 28/08/2020 made an offer for sale (OFS) upto 15% of the paid up equity share capital, out of its shareholding of 89.97%, in order to achieve the mandatory threshold of 25% minimum public shareholding by a listed Company. Consequent to the OFS, the Government of India shareholding stands at 75.15%.
2. During the Financial Year 2017-18, GOI 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.



13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
15135	15730	16758	17950	18519	20008	21445	22882	24620
15868	16288	17152	17103	17553	18650	20590	20044	23770
6719	7406	7980	8411	9507	10986	11830	11304	14358
890	480	510	917	1076	662	1112	1003	1338
151	96	104	187	219	136	229	0	0
1041	576	614	1104	1295	798	1341	1003	1338
890	480	510	917	1048	596	1000	754	1006
151	96	104	187	213	122	206	0	0
1041	576	614	1104	1261	718	1206	754	1006
				28	66	112	249	332
				6	14	23	0	0
0	0	0	0	34	80	135	249	332
1083	1042	1191	1284	1612	1464	1232	1687	1967
4181	3987	4060	4273	4215	4936	5284	5694	6399
22361	24965	23998	21340	19375	19685	19454	16689	14364
6917	6108	4836	4220	6751	12459	11235	5670	4642
32108	31144	30300	29526	29035	28345	27384	26432	25412
48.20	48.20	36.15	36.15	33.44	33.44	33.44	33.44	33.44
4711598	5015733	5473927	5962130	6297179	6992768	7751972	8512788	9586809
2092625	2377986	2633663	2848508	3274259	3875816	4320041	4276634	5650087
24	20	19	20	18	19	19	19	21
55.87	49.54	41.45	72.35	56.15	70.16	84.99	96.88	152.11
216	120	170	305	388	239	401	300	401

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



Notice of 59th AGM

NOTICE is hereby given that the 59th Annual General Meeting (AGM) of Hindustan Aeronautics Limited will be held on **Monday, August 29, 2022 at 3.00 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, 2022 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 ₹ 40/- per equity share and to declare a Final Dividend on Equity Shares for the financial year 2021-22.
3. To appoint a Director in place of Shri Alok Verma, (DIN 08652280) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Chandraker Bharti (DIN 02599261) who retires by rotation and being eligible, offers himself for re-appointment.
5. To fix remuneration of Statutory Auditors for the financial year 2022-23.

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 2022-23, as may deem fit.

SPECIAL BUSINESS

6. To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the financial year 2022-23 pursuant to Section 148 and all other applicable provisions of Companies Act, 2013, by passing 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, the remuneration of ₹ 2,50,000/- (Rupees Two Lakhs and

Fifty Thousand Only) excluding applicable Tax payable to M/s GNV & Associates, Cost Accountants, Bengaluru, for conducting cost audit of the Company for the financial year 2022-23, as approved by the Board of Directors of the Company, be and is hereby ratified."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution** for appointment of Dr. Divya Gupta, as Part-Time Non-Official (Independent) Woman Director of the Company:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 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, Dr. Divya Gupta, (DIN 00236773), who was appointed as a Part-Time Non-Official (Independent) Woman Director of the Company with effect from 28th December, 2021 by the Board of Directors pursuant to the Letter F. No. 49016/02/2021-D(HAL-III) dated 28th December, 2021 of the DDP, MoD, be and is hereby appointed as Part-Time Non-Official (Independent) Woman Director of the Company, not liable to retire by rotation, on the same terms & conditions as determined by the Govt. of India."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution** for appointment of Shri Deepak Abasaheb Shinde, as Part-Time Non-Official (Independent) Director of the Company:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 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, Shri Deepak Abasaheb Shinde, (DIN 00288460), who was appointed as a Part-Time Non-Official (Independent) Director of the Company with effect from 28th April, 2022 by the Board of Directors pursuant to the Letter F. No. 8(23)/2021-D(Coord/DDP) dated 28th April, 2022 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."

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



Resolution for appointment of Shri Jayadeva E.P. as Director (Operations) of the Company:

"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 as amended, Shri Jayadeva E.P. (DIN 06761333) who was appointed as an Additional Director and designated as Director (Operations) of the Company by the Board of Directors with effect from 10th June, 2022 as per the Govt. of India, MoD Letter F. No. 49013/01/2021-D (HAL-III) dated 10th June, 2022 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 terms and conditions as stipulated by the Government of India."

**By Order of the Board of Directors
For Hindustan Aeronautics Limited**



(G V Sessa Reddy)
Executive Director
Company Secretary

Place: Bengaluru

Date: July 15, 2022

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 the Item No. 6, 7, 8 and 9 given above 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 02/2022 dated May 5, 2022 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 2022. In Compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI

Listing Regulations") and MCA Circulars, the 59th AGM of the Company is being held through VC/ OAVM.

3. The Company has enabled the members to participate at the 59th 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 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members who requires physical copy of the Annual-Report, may request for the same. Members may note that the Notice and Annual Report 2021-22 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 in case of shares held in electronic form and with the Registrar viz. KFinTech in case the shares are held in physical form for receiving all communication including Annual Report and other Notices from the Company electronically.
6. Members who have not registered their e-mail address and in consequence the Annual Report, Notice of e-AGM and e-voting instructions cannot be serviced, may temporarily get registered their email address and mobile number with KFinTech, by accessing the link: <https://ris.kfintech.com/client-services/mobile-reg/mobile-email-reg.aspx>

Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.

Kindly note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of Annual Report, Notice of e-AGM and the e-voting instructions along with the User ID and Password. Such Members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.

In case of queries, Members are requested to write to einward.ris@kfintech.com or call at the toll free number 1800 309 4001.



7. 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 already 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.
8. The remote e-voting period commences on Thursday, August 25, 2022 (9.00 A.M. IST) and ends on Sunday, August 28, 2022 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, August 22, 2022, 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.
9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
10. Pursuant to the provisions under section 105 of the Act, a member 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 pursuant to the MCA Circular 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 are 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.
11. The Register of Members and Share Transfer Books of the Company will remain closed from August 23, 2022 to August 29, 2022 for the purpose of AGM (both days inclusive).
12. 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.
13. 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.
14. As per Regulation 40 (1) of SEBI Listing Regulations, as amended, Securities of Listed Companies can be transferred only in dematerialised form w.e.f April 1, 2019, except in case of request received for transmission or transposition of Securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management members holding shares in physical form are requested to consider converting their holdings to dematerialised form.
15. The Board of Directors of the Company in its 456th meeting held on June 28, 2022 has recommended a final dividend of ₹ 10 per share of ₹ 10 each, subject to approval of shareholders at its 59th AGM.
16. The Company has fixed Monday, August 22, 2022 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2022, if approved at the AGM.
17. 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, 28, 2022 as under:
 - (i) To all Beneficial Owners in respect of shares held in dematerialized form 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.
 - (ii) To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as on record date.
18. 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 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.

19. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA mentioned above or the Company Secretary of the Company or at investors@hal-india.co.in.
20. The Board has appointed M/s DPSP & Associates, Company Secretaries, Bengaluru as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
21. 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.
22. 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.
23. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares in individual name are advised to avail nomination facility by filing their own interest. Blank form can be obtained from RTA on request. Members holding shares in dematerialised form may contact their respective DPs for registration of nomination.
24. 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 2022-23.
25. Members are requested:
 - I. To quote their Folio/DP & Client identification No. in all correspondence.
 - II. To notify immediately any change of their address and bank particulars to the RTA or the Company, in case shares are held in physical form and in case their shares are held in dematerialised form, information should be passed on directly to their respective

Depository Participants and not to the RTA/ Company, without any delay.

- 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.
26. 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.
27. 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. 6 – Ratification of Remuneration to Cost Auditors for FY 2022-23

The Board, on the recommendation of the Audit Committee, has approved in its 456th meeting held on June 28, 2022, the appointment of M/s GNV & Associates, Cost Accountants, Bengaluru, at a remuneration of ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand only) excluding applicable Tax to conduct the Cost Audit of the Company for the financial year 2022-23.

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.

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 Ordinary Resolution for your approval.

Item No. 7 –Appointment of Dr. Divya Gupta, as Part-Time Non-Official (Independent) Woman Director of the Company:

Dr. Divya Gupta (DIN 00236773), was appointed as a Part-Time Non Official (Independent) Woman Director of the Company with effect from December 28, 2021 pursuant to the MoD letter F. No. 49016/02/2021-D(HAL-III) dated December 28, 2021.

Pursuant to the provisions of Section 149, 150, 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. Divya Gupta, as Independent Director on the same terms and conditions as determined by the Government of India. Dr. Divya Gupta, if appointed as an Independent Director, will not be liable to retire by rotation under Section 152 of the Act.

Dr. Divya Gupta 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 May 28, 1965, Dr. Divya Gupta has done MBBS and DGO. She has received training at Infertility Cewer Bombay in the field of infertility.

Dr. Divya Gupta has more than 36 years of experience in handling corporate affairs being director in two companies, where she involves herself in decision making process and playing a crucial role in increasing the shareholders' wealth.

She is also an active member of various social organisations where she immensely contributed to the society especially for making women self-dependent and capable. She is a columnist and keeps regularly writing in newspapers & magazines, on social issues.

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
- Shareholding in Hindustan Aeronautics Ltd: Nil
- The skills /expertise/ competency of the Dr. Gupta 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. Divya Gupta, is in any way, concerned or interested, financially or otherwise, in the resolution.

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

Item No. 8 –Appointment of Shri Deepak Abasaheb Shinde, as Part-Time Non-Official (Independent) Director of the Company:

Shri Deepak Abasaheb Shinde, (DIN 00288460), was appointed as a Part-Time Non Official (Independent) Director of the Company with effect from April 28, 2022 pursuant to the

MoD letter F. No. 8(23)/2021-D(Coord/DDP) dated April 28, 2022.

Pursuant to the provisions of Section 149, 150, 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 Deepak Abasaheb Shinde, as Independent Director on the same terms and conditions as determined by the Government of India. Shri Deepak Abasaheb Shinde, if appointed as an Independent Director, will not be liable to retire by rotation under Section 152 of the Act.

Shri Deepak Abasaheb Shinde 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 October 5, 1957, Shri Shinde has done B.E (Civil) from Shivaji University, Kolhapur and M.Tech (Civil, Structural Engg.) from IIT Madras.

After completing his post-graduation from IIT Madras in 1981, he worked in a family firm Miraj Concrete Works where he executed various Irrigation pipeline projects. He has more than 40 years of work experience in different fields and has promoted various private Ltd Companies during this period. He was also associated with Professional, Industrial, Financial, Educational and Social Organizations in different capacity.

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
- Shareholding in Hindustan Aeronautics Ltd: Nil
- The skills /expertise/ competency of the Shri Shinde 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 Deepak Abasaheb Shinde, is in any way, concerned or interested, financially or otherwise, in the resolution.

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



Item No. 9 –Appointment of Shri Jayadeva E.P. as Director (Operations) of the Company:

Pursuant to the MoD letter F. No. 49013/01/2021-D (HAL-III) dated June 10, 2022, Shri Jayadeva E.P (DIN 06761333) was appointed as Additional Director and designated as Director (Operations) of the Company by the Board of Directors with effect from June 10, 2022 under Section 161 of the Companies Act, 2013.

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 Jayadeva E.P is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Born on August 20, 1964, Shri Jayadeva E.P holds a bachelor's degree in Electrical Engineering from University Visvesvaraya College of Engineering, Bangalore and Masters from IIT Madras in Aircraft Production Engineering.

He joined HAL in 1987 as a Management Trainee, and has about 33 years of experience in the areas of Manufacturing, Assembly, Overhaul, Upgrades, Customer support, Indigenisation and other Management functions. He worked in various Divisions/ Offices like Overhaul Division, Aircraft Division, LCA Tejas Division and Corporate Office.

Prior to his appointment as Director (Operations), Shri Jayadeva was holding the post of General Manager, LCA Tejas Division, Bangalore.

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
- Shareholding in Hindustan Aeronautics Ltd: Nil
- The skills /expertise/ competency of the Shri Jayadeva E.P. 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 Jayadeva E.P., is in any way, concerned or interested, financially or otherwise, in the resolution.

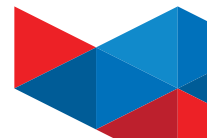
The Board of Directors recommends the Ordinary Resolution for your approval

**By Order of the Board of Directors
For Hindustan Aeronautics Limited**



(G V Seshu Reddy)
Executive Director
Company Secretary

Place: Bengaluru
Date: July 15, 2022



Additional information on Directors being appointed/re-appointed as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of the Director	Shri Alok Verma	Shri Chandraker Bharti
DIN	08652280	02599261
Date of Birth	01.12.1962	30.10.1967
Date of appointment	01.01.2020	15.05.2018
Brief Resume	<p>Shri Alok Verma, Director (Human Resources) holds a Bachelor's Degree in Science from Patna University and Post Graduate Degree in Social Work. He also holds an LLB from Jiwaji University and a Post Graduate Diploma in Computer Applications from Punjab Technical University.</p> <p>He has more than 34 years of rich and diverse experience in Human resources function.</p>	<p>Shri Chandraker Bharti, Government Nominee Director is a graduate in engineering from Delhi College of Engineering and joined the Indian Administrative Services in September 1996. He has also acquired M.Sc degree in Public Management & Policy from London School of Economics & Political Science, UK.</p> <p>He has more than 25 years of experience in Civil Services and held various important assignments in various government departments.</p>
Directorship held in other Listed Companies	Nil	Bharat Dynamics Limited
Membership/ Chairmanship in other listed Companies	Nil	Nil
Shareholding in the Company	Nil	Nil
Relationship with other directors and Key Managerial Personnel of the Company	Nil	Nil

PROCEDURE AND INSTRUCTIONS FOR e-VOTING

PROCEDURE FOR REMOTE E-VOTING

- 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.
- The remote e-Voting period commences on Thursday, August 25, 2022 (9.00 A.M. IST) and ends on Sunday, August 28, 2022 (5.00 P.M. IST).
- 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.
- Any person holding shares in physical form and 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 einward.ris@kfintech.com or 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.
- 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:

I) 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	<ol style="list-style-type: none"> Member already registered for IDeAS facility may follow the below steps: <ol style="list-style-type: none"> Visit the URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" under e-voting services. 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. Members who have not registered for IDeAS facility may follow the below steps: <ol style="list-style-type: none"> To register click on link : https://eservices.nsdl.com Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp On completion of the registration formality, follow the steps provided above. Members may alternatively vote by directly accessing the e-Voting website of NSDL <ol style="list-style-type: none"> Visit the URL: https://www.evoting.nsdl.com/ Click on the icon "Login" which is available under 'Shareholder/Member' section. 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. Post successful authentication, you will requested to select the name of the company or the e-Voting Service Provider name, i.e.KFintech. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Members already registered for Easi / Easiest may follow the below steps: <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The member will see the e-Voting Menu. 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. Members who have not registered for Easi/Easiest may follow the below steps <ol style="list-style-type: none"> To register click on link : https://web.cdslindia.com/myeasi/Registration/EasiRegistration On completion of the registration formality, follow the steps provided above. Members may alternatively vote by directly accessing the e-Voting website of CDSL <ol style="list-style-type: none"> Visit URL: www.cdslindia.com Enter your demat Account Number and PAN No. Enter OTP received on registered Mobile & Email as recorded in the demat Account for authentication. After successful authentication, the member will receive links for the respective ESP, 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 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

(A) Members whose email IDs are registered with the Company/ 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://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, 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. cs.dakshayani@gmail.com 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."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their e-mail address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get registered their email address and mobile number with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the e-mail address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
- ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

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, 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 through 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 / folio number, e-mail id, mobile number at investors@hal-india.co.in. Questions /queries received by the Company till August 26, 2022 (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 be opened from August 24, 2022 (9.00 A.M.) to August 26, 2022 (5.00 P.M.). Members shall be provided a 'queue number' before the meeting. 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>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from August 24, 2022 (9.00 A.M.) to August 26, 2022 (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 22, 2022, 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 Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 - 1. Example for NSDL:
MYEPWD <SPACE> IN12345612345678
 - 2. Example for CDSL:
MYEPWD <SPACE> 1402345612345678
 - 3. Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or 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 1-800-309-4001 or write to them at evoting@kfintech.com



Board's Report

Dear Members,

Your Board of Directors takes great pleasure in presenting the 59th Annual Report on the performance of your Company ("the Company" or "HAL"), and its Audited Financial Statements for the Financial Year ended March 31, 2022, 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, 2022 are summarised as under:

(₹ in Lakh except per equity share data)

PARTICULARS	2021-22	2020-21
Turnover	24,36,166	22,50,096
Exports	16,796	23,980
Profit Before Tax (PBT)	5,23,115	4,27,738
Provision for Tax	14,465	1,03,793
Profit After Tax (PAT)	5,08,650	3,23,945
R&D Expenditure	1,96,691	1,68,740
Earnings/ Share (in ₹)	152.11	96.88
Book Value / Share (in ₹)	576.10	459.59

During the year under review, the turnover of the Company increased by 8% to ₹ 24,36,166 Lakh from ₹ 22,50,096 Lakh of the previous year. The Profit before Tax for the year increased by 22% to ₹ 5,23,115 Lakh from ₹ 4,27,738 Lakh in the previous year. The Profit after Tax (PAT) increased by 57% to ₹ 5,08,650 Lakh from ₹ 3,23,945 Lakh in the previous year.

PRODUCTION HIGHLIGHTS

During the year, the Company has produced 34 numbers of new Aircraft and Helicopters, covering LCA Tejas, Dornier Do-228, ALH Dhruv and Light Combat Helicopter (LCH) in addition to the production of 80 New Engines and Accessories, at its various Divisions. The Company has also overhauled 207 Aircraft / Helicopters and 506 engines during the year.

ORDER BOOK POSITION

During the year, the Company has bagged a contract for production and supply of 15 Light Combat Helicopters (LCH) on March 30, 2022.

The Order Book position of the Company stands at ₹ 82,15,400 Lakh as on March 31, 2022.

DIVIDEND

During the year, your Company has declared and paid 1st interim dividend of ₹14 per share of ₹10 each (140 %) for the financial year 2021-22, amounting to ₹ 46,814 Lakh.

Further, the Company has also declared and paid 2nd interim dividend of ₹ 26 per share of ₹10 each (260 %) for the financial year 2021-22, amounting to ₹ 86,941 Lakh.

The Board of Directors of the Company has recommended a final dividend of ₹ 10 per share of ₹ 10 each to comply the Guidelines of Department of Investment and Public Asset Management (DIPAM) on Capital restructuring with respect to payment of minimum dividend. The Final Dividend if approved by the shareholders, would involve cash outflow of ₹ 33,439 Lakh.

Thus, the total dividend including final dividend for the financial year 2021-22 would be ₹ 50 per equity share (500%), amounting to ₹ 167,194 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, your Company has formulated a Dividend Distribution Policy and the same is available on the Company's website at https://hal-india.co.in/Common/Uploads/DMS/Dividend_Distribution_Policy.pdf

RESERVES

During the year under review, ₹31,596 Lakh was transferred to Research & Development Reserve and ₹3,57,986 Lakh to General Reserves.

BORROWINGS

As on March 31, 2022, the short term and long term borrowings of the Company was Nil.

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. A detailed note on internal financial controls 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 form part of Notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

During the year, your Company has entered into transactions with related parties. In line with Related Party Transactions (RPTs) Policy, approval of the Audit Committee and Board, as the case may be was obtained for RPTs. As per the threshold mentioned in the Policy, there were no material related party transactions with the Company's Promoters, Directors, Management or



their relatives, which could have had a potential conflict with the interests of the Company. 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 your Company and its Joint Venture Companies and Subsidiary Companies for the year ended March 31, 2022 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, 2022, your Company has two Subsidiaries including one wholly owned Subsidiary and fourteen Joint Venture Companies (JVCs) including two Not-for-Profit Companies (Section 8 Companies).

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 Joint Venture Companies and Subsidiary Companies is attached to this Report as **Annexure-II**.

SIGNIFICANT ACHIEVEMENTS

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

- HAL has bagged a contract for production and supply of 15 Light Combat Helicopters (LCH) on March 30, 2022.
- Handed over 75th ROH Su-30 MKI aircraft to IAF on January 25, 2022. HAL has overhauled 20 Su-30MKI aircraft attaining the peak capacity envisaged against capacity augmentation project in the current year.
- Completed Mid-Life upgrade of two Do-228 aircraft for Coast Guard in 2021-22 against deliveries originally scheduled to start from 2022-23 as per Contract.
- Commenced Performance Based Logistics (PBL) operations of ALH Mk III (MR) on February 10, 2022 for the first batch of ALH Mk III (MR) inducted by CG under PBL support regime.
- The green field helicopter factory of HAL at Tumakuru is in place, with stage 1 & stage 2 infrastructure facilities at an investment of ₹ 47,637 Lakh by the company.
- The Company has made investment of ₹1,20,000 Lakh in UP Defence Industrial Corridor (UPDIC) towards enhancement of capacity & capability at Lucknow, Korwa and Kanpur Divisions of HAL.
- In-line with Government's vision to boost defence exports to friendly foreign countries, the Company has signed the contracts with Government of Mauritius (GoM) for export of one passenger variant Do-228 (PVD) on September 10, 2021 and for one Advanced Light Helicopter (ALH) Mk III helicopter on January 19, 2022. Further, HAL has already completed the production and delivery of this Do-228 PVD for Mauritius ahead of contractual delivery commitment.
- The Intermediate Jet Trainer (IJT), designed and developed by HAL for stage –II training of IAF pilots has successfully demonstrated the capability to carry out six turn spins, to the LH and RH sides, which is the most crucial stage in flight trials.
- RCMA cleared the introduction of foldable Tail boom and Horizontal Stabilizer on ALH Mk-III Wheel Version as a Technology Demonstrator.
- Indigenously designed and developed 'Air Data Computer ADC 3600A CVL1 (ADC-ITSOA)' which is 'Environmentally Qualified' with in-house developed application software certified for civil platforms of aircraft and helicopters.
- Integrated SPICE 2000 weapon on Mirage 2000 aircraft with Mission Computer MC2 which is designed and developed by the Company, through MIL 1553 Bus.
- The Company has successfully integrated and flown 'Lithium Main Battery' on HTT-40 and making it first time in the continent using lithium battery for military aviation.
- Indigenously designed and developed Solid State Weapon Control System (SSWCS) for management of weapons on Jaguar aircraft as a replacement to the ageing Armament Main unit (AMU).
- Successfully completed the design, development and certification of Solid State Cockpit Voice and Flight Data Recorder (SSCVFDR) and Control Unit (CU) for Hindustan-228 aircraft.
- The Company has in-house developed multi-platform adaptable generic simulator, which is capable of flight simulations for predictions and replay of flight dynamics



with designer's synthetic input as well as Pilot-in-loop inputs for various platforms using the same cockpit controls and associated peripherals utilizing mature and accurate 6DOF model of the respective aircraft.

- The heaviest Semi-Cryogenic propellant tank (SC120-LOX) ever fabricated by HAL was delivered to Indian Space Research Organization (ISRO) on October 5, 2021.

CURRENT PROJECTS AND PROGRAMS

During the year, the Company has produced Light Combat Aircraft (LCA) Tejas, Dornier Do-228 Aircraft (both civil & military), Advanced Light Helicopter (ALH) Dhruv, Light Combat Helicopter (LCH), engines, accessories and aerospace structures against the various customer orders. HAL has launched production of Light Utility Helicopter (LUH) against Letter of Intent (LoI) received from customers.

As a major step towards civil operations, the Company also signed a lease agreement with Alliance Air Aviation Limited on September 26, 2021 for the supply of two Civil Do-228 aircraft for regional operations in Arunachal Pradesh, aimed at giving boost to India's Regional Connectivity Scheme (RCS). First commercial flight on the Dibrugarh-Pasighat route commenced on April 12, 2022 by Alliance Air Aviation Limited.

The Company has also embarked on DGCA Type Certification (TC) of 19 seater Hindustan-228 aircraft, a Do-228 Civil variant. The first flight of the aircraft was held on December 26, 2021 and Type Certificate from DGCA has been received on May 19, 2022.

DEVELOPMENT PROGRAMS

The Design team of the Company has made continuous efforts to propel the development programs by developing various technologies and significantly moved towards the realization of the projects viz. Basic Trainer Aircraft (HTT-40), Light Utility Helicopter (LUH), Light Combat Aircraft (LCA)- MK1A, Indian Multi-Role Helicopter (IMRH) and Development of Engines. The progress achieved in respect of these projects during the year is given below:-

• BASIC TRAINER AIRCRAFT (HTT-40)

HTT – 40 is the Basic Trainer aircraft currently being 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. Features of the aircraft include Air conditioned cockpit, Tandem seating, Zero-Zero ejection seats and Multifunction Displays. The aircraft has the capability to be converted to armed / weaponised version at a later stage. The program has been taken up with internal funding. A total of 3 prototypes have been built which includes two flying prototype and one Structural Test Specimen (STS).

During the year, the aircraft has successfully completed erect spin certification. All PSQR performances met with AUW

3050kg. Controls optimized and 9 Turn Spins demonstrated on clean aircraft. The PSQR validation trials by IAF completed. In February, 2021, Request for Proposal (RFP) for HTT-40 aircraft received from IAF and response has been submitted in April 2021 which is presently under evaluation.

• LIGHT COMBAT AIRCRAFT (LCA) Mk 1A

LCA Mk1A is an improved variant of indigenously developed LCA MK1, presently being developed by HAL. It has additional features and improvements such as Self Protection Jammer, Active Electronically Scanned Array (AESA) RADAR, Beyond Visual Range (BVR) Missile.

Contract for the supply of 83 LCA Mk1A to IAF was signed during Aero India 2021 and production activities have been launched.

• LIGHT UTILITY HELICOPTER (LUH)

The LUH is a single engine, 3 Ton weight class helicopter having Glass Cockpit with Multi-Function Displays. The helicopter is capable of flying at 220 Km/h; service ceiling of 6.5 Km and a range of 350 Km with 500 kg payload. Three flying prototypes have been built and were extensively flight tested. Initial Operational Clearance (IOC) for LUH IAF Version was accorded on February 7, 2020 and for the Indian Army Version on February 5, 2021.

During the year, Hot and High altitude flight trials with new tail rotor system to further improve performance requirement completed at Leh. The Company received Letter of Intent (LoI) for 12 helicopters and production activities have commenced.

The green field helicopter factory at Tumakuru for manufacturing of LUH is also in place.

• INDIAN MULTI ROLE HELICOPTER (IMRH)

The Company has undertaken the design and development of 10-15 ton class IMRH for Indian Air Force, Indian Army and Indian Navy. The Naval variant of IMRH is christened Deck Based Multi Role Helicopter (DBMRH).

IMRH and DBMRH would be designed to meet the requirement of all the three military services and its future extension to civil market to cater to off shore operations, utility, VVIP transport etc., to enlarge the helicopter business through production as well as MRO activities.

Currently, the preliminary design phase is under progress. HAL has completed Phase 1 of wind tunnel testing of IMRH-IAF scaled model and results are satisfactory. Phase-2 of Wind Tunnel testing are under progress.

In a significant boost to Prime Minister's vision on 'Aatmanirbhar Bharat Abhiyan', 18 major platforms have been identified by the Ministry of Defence for industry led R&D under various routes, wherein private industry will be encouraged to take up design and development of military platforms and equipment. The Indian Multi Role Helicopter (IMRH) is identified as one of

these 18 platforms to be taken up through Special Purpose Vehicle (SPV) model. Accordingly, HAL has issued the Expression of Interest (Eoi) in April, 2022 for selection of SPV Partner.

- **25 kN TURBOFAN ENGINE (HTFE-25)**

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 is under progress at HAL. 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 have been produced so far and are undergoing development trials. Cold weather trials and Hot weather high altitude trials were completed at Leh.

Full engine (Technology Demeonstrator) has been built and first run completed successfully. Completion of acceleration trials upto 55% of the speed achieved.

- **1200 kW TURBOSHAFT ENGINE (HTSE-1200)**

The 1200KW Turbo shaft engine would be used as power plant for 3 to 6-ton category helicopters. One technology demonstrator of HTSE-1200 engine was built and it is presently under testing. 100% speed run achieved on core engine. Sea level trials of core engine completed successfully.

High altitude cold weather trials of Jet Mode Engine at Leh and High altitude hot weather trials of Jet Mode Engine at Leh, South Pullu and Khardung-La completed. Run of Power mode engine to 80% of the speed achieved.

- **HAWK-i**

Hawk India (Hawk-i) is the indigenously upgraded Hawk Mk 132 aircraft with enhanced operational and training capabilities. All design and software development activities completed. Development of all Avionics LRUs (Viz. RADALT, IFF Mk XII, SSDVRS, CMDS, Softnet Radio, INCOM, DTS, SAAW, R118 RWR, VACS, ICU & CSIO-HUD) completed. Flight trials also completed. The aircraft is being offered to IAF and other prospective customers.

RESEARCH AND DEVELOPMENT EFFORTS

HAL has continued its efforts towards Design and Development of new platforms/ products / technologies and activities to enhance its capability with a view to bring technological superiority to its products and in order to cope up with the future technological challenges. These efforts have resulted in successful demonstration of deck based operations capability and integration of Medical Intensive Care Unit (MICU) on ALH MkIII, capability of IJT to carry out LH and RH side six turn spins and completed the erect spin certification flight trials on HT-40 aircraft. HAL is also progressing the design & development of Combat Air Teaming System (CATS) Warrior, which was

launched during Aero India 2021 and HAL has commenced 'Low Speed Wind Tunnel Tests'.

During the year, the Company has incurred a total R&D expenditure of ₹ 1,96,691 Lakh which is 8.07% of the Turnover. The company has transferred a sum of ₹ 31,596 Lakh (10% of Operating PAT) to R&D reserve for contribution to R&D corpus during the year 2021-22.

During the year, HAL has filed 102 IPR applications which make cumulative number of 2031 IPRs filed by Company. Further, 147 IPRs have also been granted during the year taking cumulative IPRs held by the organization to 611. (Patents – 64, Industrial Designs – 102, Copyrights – 443, Trademark - 2).

BOARD AND ITS COMMITTEE MEETINGS

During the year, 12 (Twelve) 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, 2022, 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.

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

The following changes took place in the Board of Directors and of Key Managerial Personnel (KMP) of your Company during the financial year:

Appointment

Dr. Divya Gupta, was appointed as Part –Time Non-Official (Independent Director) on the Board of the Company w.e.f December 28, 2021.

Cessation

- Rear Adml K C Sekhar and Dr Malla Reddy ceased as Independent Director on the Board of the Company due to Completion of their tenure on July 23, 2021.
- Shri M S Velpari ceased as Director (Operations) on the Board of the Company due to his superannuation on February 28, 2022.



DECLARATION OF INDEPENDENCE

The Company has received declarations from the Independent Directors of the Company under the Companies Act confirming that they met the criteria of independence as prescribed under Section 149(6) of the Companies Act and Regulation 25(8) of the SEBI (LODR) Regulations and they have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act.

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 adherence with the statutory Rules and Regulations.

In view of the Gazette Notification No GSR 463 (E) dated June 5, 2015 of the Ministry of Corporate Affairs (MCA), your Company, as 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 Notification No. 463 (E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, the statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors is not required for your Company, as the performance of directors is evaluated by the Administrative Ministry.

ANNUAL RETURN

In accordance with the provisions of the Companies Act, 2013, the Annual Return in the prescribed format has been hosted on website of the Company at https://hal-india.co.in/Common/Uploads/DMS/Form_MGT_7_21_22.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

As a defence Central Public Sector Enterprise (CPSE), your Company was granted exemption vide Notification GSR No.680 (E) dated September 4, 2015, from 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 and Amendment thereof & 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 healthcare including combating against COVID-19, Skill Development for Employment Enhancement & Self Employment, Education etc. The other areas in which support extended were Sanitation, Drinking Water, Environment Sustainability, Sports Development etc. The Company has spent an amount of ₹7,827 Lakh under CSR for the Financial Year 2021-22 against the CSR budget/ obligation of ₹8,100 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/Corporate%20Social%20Responsibility/M_412. Salient features of the Policy form part of the Annual Report.

Annual Report on CSR activities undertaken by your Company during the year 2021-22, pursuant to Section 135 of the Companies Act, 2013 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 amendment dated May 05, 2021 to Regulation 34(2)(f) of SEBI (LODR) Regulations, the Company has prepared Business Responsibility and Sustainability Report (BRSR) for the year 2021-22 on Environment, Social and Governance (ESG) parameters in the prescribed format and appended to this Report.

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. The policy envisages that all programs, project



reviews will highlight the progress of risk mitigation plans till the closure and signing off the mitigation plans.

In line with Regulation 21 of the SEBI (LODR), Regulations, 2015, the Board of Directors had constituted the Risk Management Committee for monitoring and reviewing of the risk management plan and other such functions as it may, deem fit including cyber security, in line with applicable laws.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the 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 Financial Year 2021-22.

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 changes / commitment of the Company have occurred after the end of the Financial Year 2021-22 and till the date of this report, which affect the financial position of the Company.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The provisions of Section 197 of the Companies Act and the relevant Rules regarding particulars of employees drawing remuneration in excess of the limits specified are exempted for Government Company, in view of the Gazette Notification No. G.S.R. 463 (E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India.

MOU WITH GOVERNMENT

Your Company signs annual Memorandum of Understanding (MoU) with the Ministry of Defence (MoD), Government of India (GoI).

The Company has achieved "Excellent" performance rating with a score of 93.49 for the financial year 2020-21 against MoU signed with the Ministry of Defence, Government of India.

INDIGENISATION

The Company has put in concerted efforts on indigenisation of components, accessories and systems required to

manufacture as well as repair & overhaul of aircraft, engine and associated accessories. Every year, HAL indigenizes various items/ components and systems of foreign origin fitted on HAL platforms through in-house capabilities or with the help of local vendors to reduce dependence on imports, savings in foreign exchange and manage obsolescence, thus fostering self-reliance through 'Make in India'.

In line with the Atmanirbhar Bharat Abhiyan of Govt. of India, HAL indigenised 1412 no. of items with anticipated annual foreign exchange saving of ₹159.6 Crore during the FY 2021-22. To align with national priorities and ensure inclusive growth, HAL has been also encouraging Indian private sector participation in the indigenization/ Make in India efforts to undertake various high value systems/equipment of foreign origin fitted on HAL platforms.

The other major initiatives / achievements during the year are as under:

➤ Indigenisation under MoD's 'Shelf of Projects' scheme:

MoD's 'Shelf of Projects' is an ambitious scheme to enhance indigenous capability in the country in defence sector where in key projects involving high technologies have been identified for indigenization in a given time frame. The Company has identified major items for 'Shelf of Projects' scheme to be developed indigenously for its rotary platforms. Upon successful prototype development and final acceptance after trial and testing, there will be an embargo on import for these items. In this regard, the Company has started vendor outreach activities for indigenous development of these items. This initiative is an important step towards self-reliance in Defence Sector.

➤ Indigenisation of Major LRUs of various Platforms:

During the year, the Company has also taken initiative for indigenous development of Line Replaceable Units (LRUs) currently being imported for its major platforms. In this regard, the Company has put concerted efforts towards finalization of roadmap for indigenisation of LRUs. These items are planned to be indigenized through In-house, Make-I, Make-II, DRDO/ ADA route etc. in the coming years.

➤ Indigenisation through Make-II procedure:

The Company has already started indigenization through HAL Make-II (Industry Funded) procedure which is in compliance of the Make-II framework promulgated by MoD and envisages the assured order quantity after successful development of items through private vendors. The Company has made significant progress in this regard and has issued Expression of Interest (Eoi) for around 800 nos. of items cumulatively in a phased manner to take up for indigenisation.



➤ **Uploading of imported items in Srijan Defence Portal:**

In continuation of its effort to support Indian Industries with opportunities for Make-In-India in Defence, the Company has uploaded cumulatively more than 13000 nos. of imported items in Srijan Defence Portal of MoD, Gol.

➤ **Organising/ participation in Seminars, Conferences and Exhibitions on Indigenisation / Vendor Development program**

To keep abreast Indian Vendors for opportunities available at HAL for indigenization, the Company organized and participated in number of seminars/ conferences/ vendor development meets mainly through virtual mode. Participants were also briefed about the Indigenisation procedure and support provided by the Company during indigenization.

INITIATIVE FOR ATMANIRBHAR BHARAT

During the year, the Company has produced 34 new aircraft/ helicopters which includes 30 indigenous aircraft/ helicopters (namely ALH, LCH and LCA), which is an immense contribution towards Atmanirbharat. These are state-of-the-art platforms in its class, the development of which has obviated the need for importing platforms from abroad, thus not only saving significant FE to the country but ensuring availability of lifecycle support within the country. Accordingly, operations of HAL by way of manufacturing and overhaul of aircraft, engines and accessories in India, has been resulting in annual FE saving to the tune of USD 2 Billion to the Country, year on year.

As a continuous pursuit towards greater self-reliance, imported LRUs, systems, components etc fitted on indigenous platforms are being taken up for indigenization under various routes through in-house as well as private industry involvement under Make I, Make II etc. In FY 2021-22, a total of 1412 items have been indigenized.

OUTSOURCING

As part of the "Make in India" drive and the Atmanirbhar Bharat Abhiyan, HAL has been nurturing and developing a vibrant indigenous aerospace & defence ecosystem. In its path of moving towards being a lead integrator, HAL has been striving to develop Tier-II and gradually Tier-I suppliers over a period of time while retaining the core areas as prime integrators. HAL has been taking up outsourcing diligently even in the new, and upcoming projects, so as to turn the suppliers into reliable business partners over time.

Furthermore, to provide the required impetus and to address the concerns in taking up Outsourcing through GeM portal, training/ knowledge sharing sessions were organized for the officers concerned. Outsourcing vendors were requested and encouraged to on-board the GeM portal. Necessary policy

changes were made to the existing HAL Outsourcing manual, to ease up the process of taking up Outsourcing through GeM.

EXPORTS

Initiatives taken to boost Exports during the year are as under:

- Concluded contracts with Mauritius Police Force under Government of India supported EXIM Bank Line of Credit for supply of following platforms:
 - (a) one Passenger Variant Do-228 (PVD) aircraft and
 - (b) one Advanced Light Helicopter (ALH) Mk.III helicopter
- The contract of Do-228 was exchanged between High Commissioner of India to Mauritius and Minister of Foreign Affairs, Govt. of Mauritius during an official ceremony at Mauritius held on September 13, 2021.
- Signed Contract with Nigerian Army Aviation for ab-initio training of six helicopter pilots and the training was completed successfully. Follow-on Contract for Phase 2 Training has also been signed by Nigerian Army.
- Light Combat Aircraft (LCA), Tejas was shortlisted by Royal Malaysian Air Force (RMAF) and an RFP was issued to HAL. The RFP was responded and presently the evaluation of the proposal for 18 nos. LCA FLIT for RMAF is under progress.

BUSINESS DEVELOPMENT

The following Initiatives taken for Business Development during the year:

- HAL is in discussion with Lockheed Martin Corporation-USA, Boeing-USA, IAI-Israel, Saab Aeronautics-Sweden, Airbus-Germany, Dassault Aviation-France, Rolls Royce-UK, GE Engines-USA and others for possible business co-operation in manufacturing of system, subsystem, final assembly & integration of aircraft in India under Indigenization and Atmanirbhar scheme of Gol.
- MoU with Rolls Royce for extending RoH services for Adour 871 Engine operating overseas.
- Signed License agreement for repair and overhaul of LM2500 Marine Gas Turbines operated by South East Asian countries.
- MoU signed between HAL and Lockheed Martin towards meeting Offset commitments related to Indian MoD procurements.
- Interaction with Boeing for ToT/Co-development projects, under offsets, for refinement of HAL platforms with a view to enhance customer comfort.
- HAL and Alliance Air signed Dry Lease Agreement for two Do-228 aircraft on September 26, 2021 which are now being operated in N-E region.



- HAL is progressing on the design & development of Amphibian variant of Do-228 aircraft, considering the requirement for such aircraft in domestic and international markets.

VENDOR DEVELOPMENT

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

During the year, the Company has conducted 21 Vendor Development Programmes, of which 19 were for Micro & Small Enterprises (MSEs) & 2 were for MSEs owned by SC/ST Entrepreneurs.

The Company has registered with RXIL and Mynd Solution for enabling payments through TReDS platform to MSMEs. HAL has already made payments through RXIL & Mynd platform. All efforts are made to bring the MSMEs on TReDS platform.

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 portal and the same is being monitored regularly for resolution of payment complaints of MSEs, if any.

Your Company is a part of Public Procurement Portal, Government e-Marketplace (GeM portal) and registered as a Buyer in GeM Portal and taking up procurement of items which are available in GeM Portal. Also procuring several items which are not available in GeM Portal utilizing Custom Bid Module/ BoQ Module extensively. All our vendors are being persuaded to on board on the GeM portal to utilize the facilities available in the GeM portal.

HAL has implemented company-wide e-Procurement system through its own e-Procurement portal for all tenders valuing more than ₹2 lakhs. A 24X7 e-Procurement help desk has been established to provide information, support, training, operational issues/clarifications to the vendors.

HAL has implemented the Public Procurement (Preference to Make in India), Order 2017 and its amendments issued vide letter No.P-45021/2/2017-PP(BE-II) dt.May 29, 2019 by Department for Promotion of Industry and Internal Trade (DPIIT) to encourage 'Make in India' and promote manufacturing and production of goods & services in India.

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 more than the mandated procurement of 25% from MSE entrepreneurs (excluding specific defence procurement as per SI.No.14 of the policy). During the year, the total value of procurement including outsourcing made from MSEs is ₹1,18,554 Lakh.

INTEGRITY PACT (IP)

Your Company has system of signing of 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 HAL would be considered competent to participate in the bidding process. Further, to encourage competition in HAL procurement and to reduce processing lead time, HAL 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, 2022 stood at 25,412.

As on March 31, 2022, a total of 3324 Apprentices were engaged in the Company, comprising 9.2% of the total employee strength including contractual staff.

EMPLOYEE WELFARE

Company extends welfare benefits to the employees and their dependents by way of comprehensive Medical Facilities, Housing Facilities, Canteen Facilities (for employees only), and Educational facilities for employee's Children, Sports Facilities, etc.

Keeping in view the COVID-19 pandemic which had unfolded an unprecedented situation creating a sense of uncertainty among people, the Company had introduced a Scheme during June 2021, which would be effective from 01/01/2020, to ensure regular monthly monetary support ranging from ₹ 15,000/- PM to ₹ 50,000/- PM depending upon the Grade / Scale of the employee, to the dependent family members of the deceased employees upto the notional date of superannuation thereby enabling them to lead a normal life. Further, to provide an opportunity to Executives to avail Leave in the form of Sabbatical, HAL Sabbatical Scheme has also been introduced during the year in the Company. The Scheme provides an Officer to avail Leave without pay upto a maximum period of 2 (two) years in maximum of 2 (two) spells during the service in the Company.



REPRESENTATION OF SC/STs

The position regarding representation of Scheduled Castes / Scheduled Tribes (SC / STs) is as follows:

Representation of SC/STs in the total strength of the Company as on 1st January 2021 and 1st January 2022

Category (Grade / Scale of Pay)	Total Strength as on		Number of SCs as on		Number of STs as on	
	1.1.2021	1.1.2022	1.1.2021	1.1.2022	1.1.2021	1.1.2022
Group – A (Grade – II & above)	8000	7843	1436	1396	493	482
Group – B (Grade-I)	25	19	3	2	2	2
Group – C (Scale -3 to Special Scale)	18620	17801	3260	3114	1393	1364
Group – D (Scales – 1 & 2)						
(i) Excluding Safai Karmacharis	5	5	1	1	-	-
(ii) Safai Karmacharis	-	-	-	-	-	-
Total	26650	25668	4700	4513	1888	1848

Recruitments made during the period 1st January, 2021 to 31st December, 2021 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)	125	17	7	18	8
Group – B (Grade-I)	-	-	-	-	-
Group - C (Scale - 3 to Special Scale)	27	3	6	6	4
Group - D (Scales – 1 & 2)					
(i) Excluding Safai Karmacharis	-	-	-	-	-
(ii) Safai Karmacharis	-	-	-	-	-
Total	152	20	13	24	12

Vacancy - based Promotions made during the period 1st January, 2021 to 31st December, 2021 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)	956	NA	NA	161	51
Group – B (Grade-I)	-	-	-	-	-
Group – C (Scale - 3 to Special Scale)	-	-	-	-	-
Group – D (Scales – 1 & 2)					
(i) (i) Excluding Safai Karmacharis	-	-	-	-	-
(ii) Safai Karmacharis	-	-	-	-	-
Total	956	-	-	161	51

EMPLOYEE RELATIONS (ER) / INDUSTRIAL RELATIONS

The Employee Relations Scenario remained peaceful and cordial during the year. Smooth relations were maintained between the Management and the Unions / Associations by having effective communication, so as to eliminate any scope of conflicts and misunderstandings and thus facilitate maintenance of Industrial Harmony. Meetings with the representatives of the Recognized Unions / Officers Associations at the Divisional, Complex & Corporate Levels were held to discuss various issues.





Plant Level & Shop Level Committees with representatives from the Management / Union are functioning in the Divisions to discuss and resolve production related matters. In order to address Employee Grievance / Representations, Grievance Redressal Mechanisms are also in place in the Company.

RAJBHASHA IMPLEMENTATION

In accordance with the Guidelines issued by Department of Official Language, Ministry of Home Affairs, New Delhi, constant efforts are being made by all the Divisions of the Company towards implementation of the Official Language Policy (OL Policy).

HAL Corporate Office was conferred with 'Rajbhasha Nishpadan Sreshthta Puraskar' for 2020-21 by Town Official Language Implementation Committee (Undertakings), TOLIC, Bengaluru.

Inspection of HAL Corporate Office was done by Committee of Parliament on Official Language on December 30-31, 2021. In this inspection, HAL Corporate Office was the Nodal Office for this Inspection.

As an Initiative in Official Language Implementation and to make aware of the Employees towards Statutory rules of Official Language, an OL Online Quarterly E-Margdarshika Rajbhasha Karyanvayan –Gati Evam Disha, is being published from April 2021. In addition HAL Connect E-news Letter is also being issued in bilingual on weekly basis.

In accordance with the Guidelines issued by the Department of Official Language, Ministry of Home Affairs, New Delhi, efforts have been made to prepare all the HAL Manuals in bilingual. Additionally, all the Form/ Formats being used in HAL have also been made in bilingual for day to day use in Official work.

A Special Hindi Webinar/ Workshop on 'Bhashini – An Introduction and its Use' was organized for OL Staff and nominated Employees on March 10, 2022.

Hindi Fortnight was celebrated from September 14 to September 28, 2021 by all the Divisions of the Company as per directives issued by Department of Official Language, Ministry of Home Affairs, New Delhi.

Employees are being encouraged through Monthly Incentive Scheme related to Official Language. Efforts have been made to make Executive Notings in bilingual in our E-Filing System.

The progress made towards OL Implementation by the Divisions of the Company was reviewed at Corporate level. Inspections of various Divisions related to Official Language have been conducted successfully by Corporate Office from time to time to provide guidance in this regard.

The Department of Official Language, Ministry of Home Affairs have assigned the responsibilities of Town Official Language Implementation Committee (TOLIC) to the Nasik Division of the Company and they are conducting TOLIC Meetings successfully.

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 put in place. Information for the year 2021-2022 in terms of Section 22 of the Act, is as indicated below:

(i)	Number of Cases pending as on 01/04/2021	:	4
(ii)	Number of Complaints of Sexual Harassment received in the Financial Year 2021-2022	:	1
(iii)	Number of Complaints disposed of during the Financial Year 2021-2022	:	5
(iv)	Number of Cases pending as on 31/03/2022 & its status	:	-

In line with the Govt.'s directions, Awareness Programme on Sexual Harassment were also conducted at Divisions / Offices on December 09, 2021 to commemorate the 8th Anniversary of the notification of Legislation on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

INFORMATION TECHNOLOGY (IT) INITIATIVES

During the year, your Company has taken many IT initiatives towards improving digital journey. Some of the major IT initiatives and achievements of the Company during the period are:

- **Project Parivartan – ERP upgradation:** Project Parivartan aimed at Centralization and standardization of ERP System across the Company is being implemented. Various milestones that have been completed during current Financial Year include finalization of Project Charter, establishment of test & development environment, As-is study and documentation of business processes.
- **Implementation of Budgetary Quotation (BQ) Portal for IAF:** An online BQ portal was implemented Companywide for receipt of IAF budgetary quote request, assignment to Divisions, estimation of cost, approval of BQ and intimation of quote in online mode to IAF.
- **Hosting of CRM Website for Do-228 Support for Civil Customers:** An online System for supporting Do 228 Civil operations has been developed and hosted on HAL Website to facilitate direct online placement of RMS Orders for spares / services, capture of customer issues/ queries and resolution.



- **Online Claim System for Defence Customers:** An online system for submitting of claim by HAL and acknowledgement by payment agency has been conceptualized and development is under progress. The System will facilitate submission of claim invoice and other supporting documents and capture payment status in online mode. This will facilitate a speedy and paperless mode for processing of bills and tracking status of payments.
- **HAMS - HAL Aviation Maintenance Software** has been implemented for Performance Based Logistics (PBL) Contract of ALH for Indian Coast Guard. This fully in-house developed software comprised of modules such as Fleet Management, Flight Operations, Maintenance Management, Quality & Safety, Inventory Management, Human resources and Document Management.
- **Paperless Office:** Paperless Office initiative has been started across the Company with the objective of elimination of hard copy approvals and reports.
- **System for financial assistance for dependents of deceased employees:** A software system developed and implemented to provide financial assistance to the families of the deceased employees for capturing of requests, verification and payment in paperless mode on fast track basis.
- **IoT- Integration:** Few initiatives have been undertaken towards Internet of Things (IoT) Integration at various Divisions of HAL as under.
 - System to capture the process parameters during manufacturing operations in online mode by directly reading the recorders data.
 - Monitoring the Temperature and Humidity of Shelf Life item stores on Real Time basis with in-house developed IoT Device.
 - Automatic controlling of ovens for recording temperature during operation and alerting the user after completion of operation.
- **Cyber Security:** Secured Web gateway is being deployed for protecting the IT mobile assets.

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:

- Third Prize in "National Water Awards" - 2020-21 under "Best Industry for CSR activities" category instituted by Ministry of Jal Shakti, Department of Water Resources, River Development and Ganga Rejuvenation.
- Wings India Award 2022 under "Aviation Innovation Award" category by FICCI.

- "The Institution of Engineers (India) (IEI) Industry Excellence Award 2021" by virtue of demonstrating a higher order of business excellence.
- "Vayoshreshtha Samman – 2021" Award under the Category "Best Public Sector Organisation in promoting the well-being and welfare of Senior Citizens" by the Ministry of Social Justice and Empowerment.
- Awarded 1st Rank (Gold Category) under CPSE category by GeM Team for the order value placed by the Company through the GeM portal.
- "51st EEPC (Engineering Exports Promotion Council) India National Awards" for Star Performers for the year 2018-19 in the product Group Defence Related items.

VIGILANCE

Your Company has a well-established vigilance department headed by the Chief Vigilance Officer (CVO). Vigilance Officers and Staff are posted to the Corporate Office and all the Divisions and Complex Offices of the Company.

The major vigilance activities carried out by Vigilance department are as under:

i. Preventive Vigilance:

- System studies were carried out in various areas and appropriate measures were suggested to streamline the procedures.
- A total of 47 sessions were conducted on various topics. Key Note address / Talk by eminent speakers was organized to spread Vigilance awareness among employees.
- Monthly Lecture/Achievers Series - A new initiative of monthly lecture/achievers series has been commenced to spread awareness among stake holders on the topics related to vigilance administration, personality development, etc. from distinguished contributors / speakers in the field.

ii. Vigilance Publications:

- Two volumes of in-house Vigilance e-magazine "Marg Darshan" was circulated during the year on the theme "Vigilant India Prosperous India" and "Enriching Organization Culture through Values and Ethics" were published covering articles from internal & external writers as a part of efforts towards spreading preventive vigilance concepts.
- "Vishleshan", a compendium of vigilance interventions was also published during the year. Vishleshan is a compendium of select cases bearing a vigilance angle set of case studies to succinctly draw up the mistakes made in a process and highlight lessons to be learnt and system improvements to be made to avoid the same mistakes in future.



- iii. **System Improvement measures:** Based on the recommendations of Vigilance, several system improvements have been issued by the Management in the areas of lodging claims with insurance company, estimation and finalization of RFQ/PO, procurement system, vendor registration, payment of HRA, engagement of contract labour, verification of caste certificates, non-engagement of Ex-employees who have been dismissed/removed from the services of the Company on contract basis, etc.
- iv. **Vigilance Awareness Week:** Vigilance Awareness Week was conducted throughout the Organization at all divisions of HAL in nine different geographical locations across country from October 26, 2021 to November 1, 2021, on the theme **"Independent India @ 75: Self Reliance with Integrity"**.
- v. During the period, 510 complaints were handled, 424 regular scrutiny, 93 surprise checks and 24 CTE checks were carried out across the Company.

QUALITY INITIATIVES AND SAFETY

- Nadcap certification has been obtained by Accessories Division Lucknow and Avionics Division Hyderabad. Both the divisions have been accredited for chemical processing.
- Standardization of documents for Quality Management System has progressed further through the formulation of two more Corporate Quality Assurance Guidelines CQAG-9014 and CQAG-9015 on FOD Management System and Operator Self Verification Program respectively. CQAG-9015 on Operator Self Verification Program has been formulated in co-ordination with DGAQA HQ for joint release.
- Utilisation of Third Party Inspection Agencies has also been started by Engine Division Bangalore (in addition to LCA & Helicopter Divisions) for inspection of outsourced components to support the cause of "Make in India" initiative and optimum utilization of HAL inspectors in core areas of manufacturing/assembly. Empanelment process for 7th TPI agency is under progress in coordination with DGAQA HQ New Delhi.
- As part of digitization of quality functions, online DGAQA Memo generation & clearance by RDAQA offices has successfully commenced in 17 Production divisions.
- Quality Management System of AMD Nasik and Engine Division Bangalore have been additionally certified to AS9110C which stipulates the QMS requirements of Aviation Maintenance Organization.
- Under the Azadi ka Amrit Mahotsav celebration to mark the 75th anniversary of India's independence, four enriching

Webinars were conducted at the level of Corporate Quality during Quality month of November 2021 involving senior most officers from DGAQA, CEMILAC, IAF, Army, ICG along with experts from Industry and Academia.

- Conducted in-house training programs and workshops at customer bases/field units on critical/AOG prone systems, to update customer knowledge.
- To bring in improvement in flight safety culture in our company, six officers are getting trained in "Aerospace Safety and Accident Investigation Course" per year with approval of Air HQ.

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. Maharaj N.R. Suresh and Co., LLP, Chartered Accountants, Bengaluru was appointed as Statutory Auditors for auditing the Accounts of the Company for the year 2021-22 and 18 firms of Chartered Accountants were appointed as Branch Auditors. The statutory auditors' report does not contain any qualification, reservation or adverse remarks.

The Auditors' Report on financial statements for the financial year 2021-22 and comments of the Comptroller & Auditor General of India (C&AG) under Section 143(6) of the Companies Act are appended to this Report.

Cost Auditors

Your Company has appointed M/s. GNV & Associates, Cost & Management Accountants as Cost Auditors for conducting the Cost Audit of the Company for the year 2021-22. 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 14 (fourteen) Nos. of Chartered Accountant firms for carrying out internal audit of the Company for the year 2021-22.

Secretarial Auditor

In terms of Section 204(1) of the Companies Act, the Company has engaged M/s. DPSP & Associates, Company Secretaries, Bengaluru to conduct Secretarial Audit of the Company for the year 2021-22. The Secretarial Audit Report is annexed to this Report as **Annexure - IV** and forms part of Annual-Report.

The management's reply on the qualification of the Secretarial Auditor, form part of Secretarial Audit Report, which is self-explanatory.



Annual Secretarial Compliance Report

The Company has filed the Annual Secretarial Compliance Report for the year 2021-22 with the BSE Ltd and National Stock Exchange of India Limited. The report was received from a Practising Company Secretary and filed within the stipulated time as specified under Regulation 24A of the SEBI (LODR) Regulations.

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 ended March 31, 2022 has been prepared and annexed to this Report. The Company's Secretarial Auditor has issued a certificate on Corporate Governance, which is appended to the Corporate Governance 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 of the Company.

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.

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:

- In the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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, 2022 and of the profit and loss of the Company for the year ended on that date;
- 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;

- the directors have prepared the annual accounts on a "going concern" basis;
- 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;
- 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 cooperation 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 Auditors, 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



(R. Madhavan)

Chairman and Managing Director

Place : Bengaluru
Date : July 15, 2022

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 arms length transactions under third provision 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	TATA –HAL Technologies Ltd	Joint Venture	Purchase Contract on Limited Tender basis	-	Purchase Order for purchase of used Computers, Accessories and Office equipment at an amount of ₹1.66 Lakhs plus applicable taxes;	In order to close the pending activities of JVC for winding up, the contract entered on L1 basis for purchase.	May 10, 2021	-	-
2	Indo-Russian Helicopter Ltd (IRHL)	Subsidiary	Service Contract on Nomination Basis	1 year	Reimbursement of the monthly pay and allowances to an extent of ₹ 2.23 Lakhs. Balance pay and allowances (including PRP) payable to Shri Satyanarayan Sharma GN as per his entitlement over and above ₹ 2.23 Lakhs/month would be borne by HAL.	Deputation of an employee to JVC	June 28, 2021	-	-
3	BAeHAL Software Ltd	Joint Venture	Rate Contract	1 year	Rate Contract with BAeHAL Software Ltd for AMC of IFS-ERP at a total value of ₹ 2.27 Crore and advance payment at the commencement of AMC services for every six months.	In order to ensure continued availability of the ERP services and obtaining support for the ERP Database from the OEMs.	July 16, 2021	-	-
4	Naini Aerospace Limited (NAeL)	Subsidiary	Extension of MoU between HAL and NAeL	3 years	Signing of MoU between HAL and NAeL for a period of 3 years from the date of execution for utilizing the services of trained manpower of NAeL.	In order to utilize the services of trained manpower.	July 16, 2021	-	-



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
5	HATSOFF-Helicopter Training Pvt.Ltd. (HATSOFF)	Joint Venture	Service Contract	-	(i) To repair one Weather Radar Control Unit (unit Sl. No. 99213899) with repair price of ₹2,17,786.00. (ii) To repair two nos. of Radio Management Unit (unit Sl. No. 37806 & 43480), for which Rough Order Magnitude (ROM) price for repairing each unit is ₹19,00,000.00	-	August 13, 2021	-	-
6	Indo-Russian Aviation Ltd (IRAL)	Joint Venture	Supply Contract through Limited tender basis	-	(iii) To supply one no. of new Radio Management Unit with the Quoted price for this unit of ₹30,71,978.00 including GST Placement of Order on IRAL for procurement of 173 lines of BOI Spares / Raw Material/ Consumables required against RMSO/ ROH task of MiG & Su-30 ROH Programme at total value USD 2,943,481.00 and landed cost works out to ₹2869.52 Lakhs including Custom, IGST and other duties on assessable value (100% of basic landed cost) and F & I @ 1.26% on basic landed cost @ 1 USD = INR 73.72.	-	October 25, 2021	-	-
7	Indo-Russian Aviation Ltd (IRAL)	Joint Venture	Supply Contract through Limited tender basis	-	Procurement of 152 types of project materials (28 types of heavy forgings, 23 types of CAT-A aggregates and 101 types of readymade engine & aggregate spares) required against ROH, Mfg, RMSO and warranty task of AL-31HP Engine at total value USD 14,842,596.13 and landed cost works out to ₹13,326.32 Lakhs including Custom duty, IGST and other duties and F & I @ 0.19% (1 USD = INR 73.29).	-	October 25, 2021	-	-

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	Samtel-HAL Display Systems Limited (SHDS)	Joint Venture	Service Contract on Proprietary basis	3 Years	Repair of 294 nos. Color Multi-Functional Display (CMFD) (223 nos. CMFD555 & 71 nos. CMFD665) of Su-30 MKI Aircrafts for the period 3 years i.e. from 2021-22 to 2023-24. Total CIF value of proposal is ₹ 2722.59 Lakhs F.O.R. HAL Korwa Considering F&I @ 0.77% and GST @ 18%.	-	October 25, 2021	-	-
9	Indo-Russian Aviation Ltd (IRAL)	Joint Venture	Supply Contract through Limited tender basis	1 Year	Supply of 375 types of spares for various platforms at a total value of USD 4,236,339.00 on CIP Mumbai airport basis. The total landed cost works out to ₹ 39,77,87,682.27 inclusive of 27.98% towards total duties and Freight & Insurance.	-	January 5, 2022	-	-
10	Indo-Russian Aviation Ltd (IRAL)	Joint Venture	Supply Contract through Single tender Nomination basis	--	Placement of Order on single tender/ nomination basis for supply of 1 unit of Indigenously developed combined engine controller (KRD-99B-Prototype-3) required against RMSO after negotiation with the party, keeping the maximum cap at a total landed value of ₹87,71,490 on FOR basis (including GST ₹ 4,17,690).	--	February 10, 2022	-	-

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
----	-----	-----	-----	NIL	-----	-----	-----	-----

For and on behalf of Board of Directors
Hindustan Aeronautics Limited


(R. Madhavan)
Chairman and Managing Director

Date: July 15, 2022
Place: Bengaluru



Annexure II to Board's Report

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

- (a) HAL has established 12 (twelve) commercial Joint Venture Companies (JVCs) in collaboration with leading international aviation and Indian Organizations and 2 (two) subsidiary Companies. Besides, the Company also formed 2 (two) Section-8 (non-profit) Companies.

During the year under review, the total turnover reported by the JVCs/Subsidiaries is ₹ 395.67 Crs, as per details given below:

(Amount in ₹ Crores)

Sl. No.	Name of the JVCs / Subsidiaries	HAL share holding (%)	Turnover	Profit Before Tax
1	BAeHAL Software Ltd.	49	14.46	(2.98)
2	Indo Russian Aviation Ltd.	48	70.30	10.69
3	Safran HAL Aircraft Engines Pvt. Ltd.	50	76.68	8.27
4	Samtel HAL Display System Ltd.	40	28.19	0.25
5	HAL-Edgewood Technologies Pvt. Ltd.#	50	--	--
6	HALBIT Avionics Pvt. Ltd.	50	3.83	0.59
7	Infotech HAL Ltd.##	50	1.91	(0.14)
8	HATSOFF Helicopter Training Pvt. Ltd.	50	46.85	9.10
9	TATA-HAL Technologies Ltd.@	50	--	--
10	International Aerospace Manufacturing Pvt. Ltd.	50	148.54	9.84
11	Multi-Role Transport Aircraft Ltd.**	50	--	(10.77)
12	Aerospace & Aviation Sector Skill Council (AASSC) *	50	0.78	--
13	Helicopter Engines MRO Private Ltd.**	50	--	(0.50)
14	Defence Innovation Organisation*	50	--	--
Sub - Total			391.54	24.35
Subsidiaries				
15	Indo-Russian Helicopters Limited**	50.5	--	(0.33)
16	Naini Aerospace Limited	100	4.13	(12.82)
Sub - Total			4.13	(13.15)
Grand Total			395.67	11.20

Note: Figures in brackets () indicate loss

* Section-8 (non-profit) Companies.

** Not commenced operation

JV has not commenced business activities after COVID-19.

Unaudited

@ TATA-HAL Technologies Ltd (THTL) was operationally closed on 31st March 2020. In 58th Board Meeting and the Extraordinary General Meeting (EGM) of THTL held on 8th June 2021, the liquidation of the Company was approved and Liquidator was appointed to complete the liquidation process. Presently, there is no pending dues/issues in THTL-JV. Hence, the submission of dissolution application to National Company Law Tribunal (NCLT) is under process by Liquidator.



- (b) During the current financial year, 2 (two) JVCs viz. Indo-Russian Aviation Ltd and International Aerospace Manufacturing Pvt Ltd. have together paid a dividend of ₹ 1.96 Crore to HAL.

Sl. No.	Name of JVCs	₹ In Crs
1	Indo-Russian Aviation Ltd	1.87
2	International Aerospace Manufacturing Pvt Ltd	0.09
Total		1.96

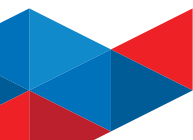
For and on behalf of the Board of Directors
Hindustan Aeronautics Limited



(R. Madhavan)

Chairman and Managing Director

Date : July 15, 2022
Place : Bengaluru





Annexure III to Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company:

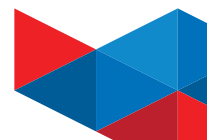
- The CSR Policy of the Company is in consonance with the CSR Policy framework enshrined in the Section 135 of Companies Act, 2013, Companies (CSR Policy) Rules, 2014 as amended vide Notification No. CSR-05/3/2020-CSR-MCA dated 22nd January 2021 by Ministry of Corporate Affairs, Government of India and Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India.
- It shall apply to all CSR Projects / Programmes undertaken by the Company as the activities listed in Schedule-VII of the Act, within the geographical limits of India alone, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment
- As per the mandate of Companies Act 2013, the Company has been spending 2% of its average net profit (calculated in accordance with the provisions of Section 198 of the Companies Act, 2013) during the three immediately preceding financial years under different heads stipulated under Schedule VII of the said Act.
- By prioritizing HAL focus on Education & Training, Skill Development, Health & Well-Being, Sports, Green Energy, Cleanness, Drinking water supply, River Rejuvenation. It also focus on preserving art and heritage as well as supporting action against climate change.
- For undertaking CSR projects / programs preference is given to the local area / vicinity of the Divisions / Complexes where it operates based on baseline survey considering the theme identified by the DPE for undertaking CSR activities by Central Public Sector Enterprises (CPSEs), for spending the amount earmarked for Corporate Social Responsibility Projects / Activities. In this regard, it is to state that Gram Sabhas and Panchayati Raj institutions at the village level are important and reliable sources for assessing the social, economic and environmental needs in rural areas. Therefore, as far as possible they should be consulted in planning for CSR Projects / activities.

2. Composition of CSR Committee (as on March 31, 2022):

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	Rear Admiral K C Sekhar, AVSM, VSM (Retd.)*	Independent Director, Chairman	2	2
2	Dr Divya Gupta*	Independent Director, Chairperson	1	1
3	Shri R Madhavan*	CMD and Addl. Charge of Director (Operations), Member	1	0
4	Shri C.B. Ananthkrishnan	Director (Finance) & CFO, Member	3	3
5	Shri M S Velpari*	Director (Operations), Member	2	2
6	Shri Alok Verma	Director (HR), Member	3	3

*Note

- Rear Admiral K C Sekhar ceased as Independent Director on the Board of the Company due to completion of his tenure on 23.07.2021.
- Dr Divya Gupta appointed as Independent Director w.e.f 28.12.2021 and appointed as Chairperson of the Committee w.e.f 10.02.2022
- Shri R Madhavan, CMD has entrusted additional charge of the post of Director (Operations) for a period of three months with effect from 01.03.2022 or till the post of Director (Operations) is vacant whichever is earlier.
- Shri M S Velpari ceased as Director (Operations) on the Board of the Company due to his superannuation on 28.02.2022.



All CEOs of the Complexes, General Manager (Finance) and Head of Corporate CSR are permanent invitees to the Committee.

Company Secretary is the Secretary of the Committee

3. The web-link 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:

The web-links are as under:

- Composition of CSR Committee:
https://hal-india.co.in/Common/Uploads/Finance/CSR_Composition.pdf
- CSR Policy approved by the Board:
https://hal-india.co.in/Common/Uploads/Finance/CSR_Policy-2021.pdf
- CSR Projects approved by the Board:
<https://hal-india.co.in/Common/Uploads/Finance/CSR%20Projects%2021-22.pdf>

4. The details of Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The details of Impact Assessment study of following CSR Projects as applicable under the Rule, has been conducted by Independent Agencies, which has been enclosed to this report:

- Development of Dhondi Ganga Ghat at Sarsaul, Aima Gram Panchayat, Block-Sarsol, District Kanpur Nagar
- Development of Siddhnath Ganga Ghat at Jajmau, Ward No. 96, Jajmau, Kanpur City
- Improvement & Development of Bahrauli School, Barabanki,
- Installation of Solar Street Light, Lucknow & Barabanki
- Renovation and Construction of School, Barabanki
- Centre of Excellence (Skill Development Program), Technical Training Institute, Bangalore.

5. Details of the amount available for set off in pursuance of Sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Crore)	Amount required to be set- off for the financial year, if any (₹ in Crore)
1	2018-19	Nil	Nil
2	2019-20	Nil	Nil
3	2020-21	6.68	6.68
	TOTAL	6.68	6.68

	(Rs. in Crores)
6. Average net profit of the Company as per Section 135(5)	3942.08
7. (a) Two Percent of average net profit of the Company as per Section 135(5).	78.84
(b) Surplus arising out of the CSR Projects or Programmes or activities of the previous financial years.	8.84
(c) Amount required to be set off for the Financial Year, if any	6.68
(d) Total CSR Obligation for the Financial Year (7a+7b-7c).	81.00



8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (₹ in Crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (₹ in Crore)	Date of transfer	Name of the Fund	Amount	Date of transfer
78.27	3.00	29/04/2022	Nil	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number

Details of CSR amount of ₹ 31.44 Crores spent against ongoing projects for the financial year 2021-22 is enclosed at **Enclosure- I**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State.	District.			Name	CSR Registration number

Details of CSR amount of ₹ 43.06 Crores spent against other than ongoing projects for the financial year 2021-22 is enclosed at **Enclosure- II**

	(₹ in Crores)
(d) Amount spent on Administrative Overhead	3.73
(e) Amount spent on Impact Assessment, if applicable	0.04
(f) Total Amount spent for the Financial Year (8b+8c+8d+8e)	78.27

(g) Excess Amount for set off, if any

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

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Crores)	Amount spent in the reporting Financial Year (₹ in Crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (₹ in Crores)	Date of transfer	
1.	2020-21	Nil	90.52	Nil	Nil	NA	Nil
2.	2019-20	Nil	82.00	Nil	Nil	NA	Nil
3.	2018-19	Nil	72.46	Nil	Nil	NA	Nil
TOTAL		Nil	244.98	Nil	Nil	NA	Nil

(b) Details of CSR Amount spent in the financial year for Ongoing Projects of the preceding financial year(s)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed/ Ongoing

Details of CSR amount of ₹ 20.79 Crores spent in the financial year for Ongoing Projects of the preceding financial year(s) is enclosed at **Enclosure- III**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(Asset-wise details).

(a)	Date of creation or acquisition of the capital asset(s)	-	Nil
(b)	Amount of CSR spent for creation or acquisition of capital asset	-	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	-	NA
(d)	Provide details of the capital asset(s) created or acquired (Including complete address and location of the capital asset).	-	Nil



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

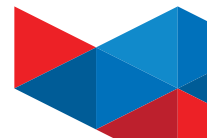
- In respect of one of the projects, "To support the Institute of Gastroenterology Sciences and Organ Transplant (IGOT), Bangalore by providing requisite equipment to Central Sterile Service Department (CSSD)", worth Rs. Two Crores, the vendor requested IGOT to extend the delivery period citing that it has to import CSSD Equipment from Germany and Sweden. Considering the location of the equipment and the tension prevalent therein involving Germany, Russia and Ukraine, and also in view of COVID-19 Pandemic which hampered the vessels movements across the international borders, there was a delay which resulted in non-receipt of the items before 31st March, 2022.
- To support Kidwai Memorial Institute of Oncology for increasing the Bed strength by 350 Nos., was taken up as one of the Projects with an overall budget of Rs. One hundred and Sixty Lakhs. Bids were issued on 07.1.2022. During the FY 2021-22, medical equipment (i.e., 5 - Defibrillators and 50 Fowler Beds) worth of Rs. 13.24 Lakhs were delivered / donated to the Hospital. The delivery of the balance 300 Semi-Fowler Beds which amounts to Rs. 44 Lakhs were spilled over to the current FY 2022-23.
- The project "Development of Health Centre at South 24 Parganas, West Bengal", worth Rs. 42 Lakhs, was initially sanctioned to be implemented by State Government. Subsequently, as there were changes in the CSR Rules, HAL was directly assigned as the implementing agency with the approval of the Board of Directors at its 452nd Meeting held on 05/01/2022. Further, the Project had to be re-tendered due to Administrative Reasons. Hence, this project was carried forward to FY 2022-23.
- In view of the above, in-line with the provisions of the Companies (Amendment) Act, 2019; Amendment Act, 2020; CSR Amendment Rules 2021; an amount of Rs. Three Crores was deposited to a special account (Unspent Corporate Social Responsibility Account for the Financial Year 2021-22) on 29th April, 2022.



(Alok Verma)
Director (HR)



(Dr. Divya Gupta)
Chairman, CSR & SD Committee



8(b) Details of CSR amount spent against ongoing projects for the Financial Year 2021-22

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration - Years	(7) Amount allocated for the project (₹ in Lakhs)	(8) Amount spent in the current financial year (₹ in Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	(10) Mode of Implementation -Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Augmenting of HAL – IISc Skill Development Centre under CSR - Establishment of Additional Skill Development Labs at HAL – IISc SDC at Chalakere, Chitradurga. (Total Project Cost: ₹ 327.39 lakhs, 02 Year Project, 2021-22 : ₹ 84.84 Lakhs, 2022-23: 242.55 Lakhs)	II - Skill Development	Yes	Karnataka	Chitradurga	2 Years	84.84	84.84	0.00	No	IISc	CSR00007370
2	Kumudathi Phase 2 : Lake De-siltation, afforestation & water literacy (Total Project Cost : ₹ 123.00 lakhs, 2021-22: ₹ 66 lakhs, 2022-23: ₹ 55.00 lakhs)	IV - Environment	Yes	Karnataka	Bangalore	2 Years	66.00	45.48	20.52	No	International Association for Human Values (IAHV) – A Sister Organization of The Art of Living.	CSR00000683
3	Augmenting of HAL – IISc Skill Development Centre under CSR - Solar Power Generation Plant at HAL - IISc - SDC at Chalakere, Chitradurga. (Total Project Cost : ₹ 624.75 lakhs, 2021-22: ₹ 589.51 lakhs, 2022-23: ₹ 35.24 lakhs)	II - Skill Development	Yes	Karnataka	Chitradurga	2 Years	624.75	589.51	35.24	No	IISc	CSR00007370
4	To support the Institute of Gastroenterology Sciences and Organ Transplant (IGOT) by providing requisite equipment to Central Sterile Service Department (CSSD). (Total Project Cost : ₹ 200.00 lakhs, 2021-22: ₹ 200.00 lakhs, 2022-23: ₹ 200.00 lakhs)	I - Healthcare	Yes	Karnataka	Bangalore	2 Years	200.00	0.00	200.00	No	Institute of Gastroenterology Sciences and Organ Transplant (IGOT)	CSR00009619
5	To support Kidwai Memorial Institute of Oncology for increasing the Bed strength by 350 Nos (Total Project Cost : ₹ 200.00 lakhs, 2021-22: ₹ 200.00 lakhs, 2022-23: ₹ 200.00 lakhs)	I - Healthcare	Yes	Karnataka	Bangalore	2 Years	160.00	13.24	43.23	Yes	HAL	NA
6	Tata Institute of Social Sciences -Baseline Study		Yes	Odisha, Uttar Pradesh, Maharashtra	Koraput, Lucknow, Nasik	2 Years	12.43	12.43	0.00	YES	HAL	NA
7	Infrastructure Development works in the Adopted Govt. ITI's and TTI, Bangalore	II - Livelihood Generation/ Skill Development	Yes	Karnataka	Kolar/ Bangalore	2 Years	234.92	222.76	0.00	Yes	HAL	NA
8	Strengthening of infrastructure for quality seed and planting material at IIHR, Bangalore (Total Project Cost: 253 Lakhs, 02 Year Project, 2021-22 : ₹ 60 Lakhs, 2022-23: 193 Lakhs).	IV - Environment	Yes	Karnataka	Bangalore	2 Years	60.00	58.84	1.16	No	ICAR-IIHR	CSR00014307
9	Establishment of Centralized Kitchen through the Akshaya Patra Foundation	I - Education	Yes	Karnataka	Bangalore Urban District,	2 Years	25.00	24.85	0.00	No	The Akshaya Patra Foundation	CSR00000286



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration - Years	(7) Amount allocated for the project (₹ in Lakhs)	(8) Amount spent in the current financial Year (₹ in Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	(10) Mode of Implementation -Direct (Yes/No)	(11) Mode of Implementing Agency	
				State	District						Name	CSR Registration number
10	Establishment of Advance centre for Bio energy Research at University of Agricultural Sciences, Bangalore. (Total Project Cost : 200 Lakhs, 03 Year Project, 2020-21 : ₹ 11 Lakhs, 2021-22 : ₹ 176.20 Lakhs, 2022-23: 12.80 Lakhs).	IV & IX - Livelihood Generation / Skill Development and Environment Sustainability	Yes	Karnataka	Bangalore Urban District	2 Year	189.00	176.20	12.80	No	University of Agricultural Sciences, Bangalore	CSR00016598
11	Promoting Science, Technology, Engineering, and Mathematics (STEM) education through interactive labs in Government Schools.	II - Education	Yes	Karnataka	Bangalore Urban District,	2 Years	45.00	36.83	0.00	YES	HAL	NA
12	Bus shelter and toilet block construction in villages around HAL LUH project site in Gubbi Taluk	I & x - Rural Development & Sanitation	Yes	Karnataka	Gubbi taluk, Tumkur District	2 Years	24.00	22.25	0.00	YES	HAL	NA
13	HAL Football Academy	VII - Sports	Yes	Karnataka	Bangalore Urban District	2 Years	23.00	19.19	0.00	YES	HAL	NA
14	Establishment of Covid Care Center	I - Healthcare	Yes	Karnataka	Bangalore Urban District	2 Years	3.07	3.44	0.00	YES	HAL	NA
15	Development of Public Road of approximately 250 meters length near Hosa Nagar Slum in Sadanandnagar, Bangalore.	XI - Others (Slum Development)	Yes	Karnataka	Bangalore Urban District	2 Years	5.00	0.00	5.00	YES	HAL	NA
16	Construction/renovation of school building of Haricharan Lala Adarsha Prathamick Vidyalaya, Barrackpore.	II - Education	Yes	West Bengal	Barrackpore, 24 Parganas (North)	3 Years	11.78	4.96	6.82	No	Through Barrackpore Municipality	Not applicable as Project approved before 01-4-2021
17	Promotion of Education in Government School including infrastructure facilities, Rain water conservation, Solar Energy etc. At Mashat Girls' High School under Diamond Harbour-I Development Block, South 24 Parganas, West Bengal	II - Education	Yes	West Bengal	24 Parganas (South)	2 Years	2.60	2.60	0.00	No	Through BDO, Diamond Harbour	Not applicable as Project approved before 01-4-2021
18	Construction of School Hostel Building & Toilet Block at Madan Mohanpur RCS Vidyanomdir under Kulpi Block, South 24 Parganas, West Bengal	II - Education	Yes	West Bengal	Parganas (South)	2 Years	1.19	1.19	0.00	No	Through BDO, Kulpi	Not applicable as Project approved before 01-4-2021
19	Climate Smart sustainable Organic Agriculture through Natural Farming Practices & Solar Pump Irrigation at Santipur Development Block, North 24 Parganas, West Bengal	X - Rural Development	Yes	West Bengal	Nadia	3 Years	3.72	0.00	3.72	YES	HAL	NA
20	Development of Health Centre	I - Healthcare	Yes	West Bengal	South 24 Parganas	3 Years	42.00	0.00	42.00	Yes	HAL	NA
21	Development of Health Centre at Arndanga Block	I - Healthcare	Yes	West Bengal	North 24 Parganas	2 Years	17.00	0.00	17.00	Yes	HAL	NA



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration - Years	(7) Amount allocated for the project (₹ in Lakhs)	(8) Amount spent in the current financial Year (₹ in Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	(10) Mode of Implementation -Direct (Yes/No)	(11) Mode of Implementing Agency	
				State	District						Name	CSR Registration number
22	Development of Infrastructure of a Govt. Primary School at Barrackpore	II - Education	Yes	West Bengal	North 24 Parganas	2 Years	28.00	0.00	28.00	Yes	HAL	NA
23	Food, Nutritional items and other facilities to run the Crèche facility Centers	I - Nutrition	Yes	Odisha	Koraput	3 Years	14.70	13.52	0.00	No	District Social Welfare Officer	CSR 00003145
24	Additional Class Room in 12 different Schools.	II - Education	Yes	Odisha	Koraput	2 Years	46.45	35.51	0.00	YES	HAL	NA
25	Infrastructure Development at Deaf and Dumb School, Sunabeda-1	II - Education	Yes	Odisha	Koraput	2 Years	26.26	22.09	0.00	YES	HAL	NA
26	Pre-Birth waiting room at Public Health Centre, Rabanaguda	I - Healthcare	Yes	Odisha	Koraput	2 Years	1.68	0.83	0.00	YES	HAL	NA
27	Installation of Sanitary Napkin Incinerators at residential girls schools (10 Nos)	I - Healthcare	Yes	Odisha	Koraput	2 Years	0.02	0.00	0.00	YES	HAL	NA
28	Rejuvenation of Jagannath Sagar Lake at Jeypore	IV - Environment Sustainability	Yes	Odisha	Koraput	2 Years	100.00	0.00	0.00	YES	HAL	NA
29	Infrastructure Development at SAHAL Sports Centre : - Provision of Synthetic Foot Ball Court with Sub-Base - Chain link Fencing on entrance side of the Football Ground	VII - Sports	Yes	Odisha	Koraput	2 Years	264.15	263.03	0.00	YES	HAL	NA
30	Construction of Approach Road with Drain & Culvert in Chakrol - Rajpalama, Kakigaon villages & Orphanage	X - Rural Development	Yes	Odisha	Koraput	2 Years	55.50	55.22	0.00	YES	HAL	NA
31	Establishment of Model Schools equipped with Smart classrooms	II - Education	Yes	Odisha	Koraput	2 Years	162.00	145.00	0.00	YES	HAL	NA
32	Provision of Infrastructure Facility in Rural area by Construction (s) / Resurfacing of Roads.	X - Rural Development	Yes	Maharashtra	Nasik	2 Years	11.85	7.22	0.00	Yes	HAL	NA
33	Construction of Sewage treatment plant	X - Rural Development	Yes	Maharashtra	Gowardhan village, Nasik	2 Years	10.36	0.00	0.00	Yes	HAL	NA
34	Waste management Plant i.e. conversion of municipal waste, food waste etc. to Bio Gas at Post Pimpalgaon (B), Tal Niphad	X - Rural Development	Yes	Maharashtra	Nasik	2 Years	16.25	16.25	0.00	YES	HAL	NA
35	Construction / repair of Check Dams at Waldevi River at Dhadegaon, Anna Ganapati (Deolali), Pojrevasti (Vadner) village, Waldevi River	IV - Environment Sustainability	Yes	Maharashtra	Nashik	2 Years	30.90	67.96	0.00	No	Through State Irrigation Department	Not applicable as Project approved before 01-4-2021
36	Construction of 3 New ZP School Buildings in Nasik District	II - Promoting Education	Yes	Maharashtra	Nasik	2 Years	212.89	122.87	0.00	YES	HAL	NA
37	Ambulance to District Administration / Govt. Hospitals to Govt. Hospital	I - Health Care	Yes	Maharashtra	Nasik	2 Years	18.50	18.50	0.00	YES	HAL	NA
38	Construction of Skill Development Centre at RGPT, Amethi for its programme RISE. (Total Value of Project: ₹ 225.00 lakhs 03 Year Project, 2020-21 : ₹ 75 lakhs, 2021-22 : ₹ 75 Lakhs, 2022-23: ₹ 75 Lakh)	II - Skill Development	Yes	Uttar Pradesh	Amethi	3 Years	75.00	74.99	0.00	No	Rajiv Gandhi Institute of Petroleum Technology, Jais, Amethi	CSR00010866



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration - Years	(7) Amount allocated for the project (₹ in Lakhs)	(8) Amount spent in the current financial Year (₹ in Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	(10) Mode of Implementation -Direct (Yes/No)	(11) Mode of Implementing Agency	
				State	District						Name	CSR Registration number
39	GYAN ARPAN for imparting remedial tuitions/ coaching for students to be undertaken by RGPT, Amethi - second year funding of 4 years project (Total Value of Project: ₹ 200.00 Lakhs, 04 Year Project, 2020-21 : ₹ 50.00 Lakhs, 2021-22 : ₹ 50.00 Lakhs, 2022-23 : ₹ 50.00 Lakhs and 2023-24: ₹ 50.00 Lakhs)	II - Education	Yes	Uttar Pradesh	Amethi	4 Years	50.00	49.97	0.00	No	Rajiv Gandhi Institute of Petroleum Technology, Jais, Amethi	CSR00010866
40	Provision for drinking water facility, upgradation of waiting room, toilet block, facilities for easy access for PWDs/ women etc. at Railways stations: Amethi, Gauriganj, MusafirKhana	I & III - Sanitation, Drinking Water	Yes	Uttar Pradesh	Amethi	3 Years	56.08	72.08	0.00	No	Through implementing agency	Not applicable as Project approved before 01-4-2021
41	Construction of hostels, computer lab, etc. at Kasturba Gandhi Residential Girls Schools at various Blocks in Amethi District	II - Education, Women Empowerment	Yes	Uttar Pradesh	Amethi	2 Years	25.36	23.26	0.00	No	Through implementing agency	Not applicable as Project approved before 01-4-2021
42	Construction of toilets in Anganwadis in Amethi District	I & II - Sanitation, Education	Yes	Uttar Pradesh	Amethi	3 Years	75.43	68.29	7.14	No	Through implementing agency	Not applicable as Project approved before 01-4-2021
43	Promotion of Healthcare & Ensuring Environmental Sustainability (Total Project Cost: 472 Lakhs, 02 Year Project, 2021-22 : ₹ 148 Lakhs, 2022-23: 324 Lakhs). (i) Setting up Waste Management System (ii) Vehicles for legacy & fresh wastes (iii) Road Sweeper / Air cleaning system (iv) Medical Camps in Gram Panchayat - Sarsaul, Kanigawansard, Fufwar Suithok, Sawalpur etc.,	I - Sanitation	Yes	Uttar Pradesh	Kanpur	2 Years	163.50	156.37	0.00	Yes	HAL	NA
44	Wholesome Development of villages nearby to HAL TAD Kanpur a) Construction of Road b) Community Center & Playground c) Electric Work for Civil Construction d) Installation of High Mast Lamp	X - Rural Development	Yes	Uttar Pradesh	Kanpur	2 Years	141.36	132.95	0.00	Yes	HAL	NA
45	Setting up Waste Management System - (Installation of Ballistic Separator, Installation of Trommel (02 Nos), Conveyor & Feeding System along with installation.)	IV - Healthcare & Environment Sustainability	Yes	Uttar Pradesh	Kanpur	2 Years	45.94	45.94	0.00	Yes	HAL	NA
46	Infrastructure Enhancement at Community Health Center (CHC), Sarsaul, Kanpur - (a) Construction of Road & Shelter (Ran Basera) with Toilet for Ladies & Gents, Vehicle Parking Shed. (b) Allied Electrical Works (c) Procurement of OT Table, Provisioning of RO Drinking Water, Hydraulic Bed etc.	I - Healthcare & Sanitation	Yes	Uttar Pradesh	Kanpur	2 Years	27.89	25.76	0.00	Yes	HAL	NA



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration - Years	(7) Amount allocated for the project (₹ in Lakhs)	(8) Amount spent in the current financial year (₹ in Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	(10) Mode of Implementation -Direct (Yes/No)	(11) Mode of Implementing Agency	
				State	District						Name	CSR Registration number
47	Establishment of new ITI for Girls only at Ghatkesar Mandal (Total Project Cost : ₹ 700 lakhs, 03 Year Project, 2021-22 : ₹ 150 Lakhs, 2022-23: 225 Lakhs, 2023-24: ₹ 325 Lakhs).	II - Skill Development	Yes	Telangana	Medchal - Malkajgiri District	3 Years	150.00	116.45	33.55	No	Telangana State Education Welfare & Infrastructure Development Corporation (TSEWIDC)	CSR00012873
48	Kasaragod District Aquatic Sports Complex & Swimming Pool (Total Project Cost: ₹ 150 lakhs, 03 Year Project, 2021-22 : ₹ 50 Lakhs, 2022-23: 50 Lakhs, 2023-24: ₹ 50 Lakhs).	VII - Sports	Yes	Kerala	Kasaragod	3 Years	50.00	11.12	38.88	No	M/s. District Nirmithi Kendra, Kasaragod	CSR00013897
49	Dormitories to Kasturba Gandhi Balika Vidyalaya (KGBV) Schools	II & III - Education / Women Empowerment	Yes	Telangana	Ranga Reddy District,	2 Years	20.00	14.54	0.00	No	District Collector, Ranga Reddy	Not applicable as Project approved before 01-4-2021
50	She Toilets	I - Health Care / Sanitation	Yes	Telangana	Hyderabad	2 Years	14.62	4.23	0.00	No	Zonal Commissioner, GHMC, Serilingampally Zone.	Not applicable as Project approved before 01-4-2021
51	Development of Slum (Ranga Reddy Banda)	XI - Others (Slum Development)	Yes	Telangana	Ranga Reddy Banda, Jeedimetla, Hyderabad	2 Years	8.51	0.00	0.00	No	Zonal Commissioner, Kukatapally, GHMC	Not applicable as Project approved before 01-4-2021
52	Development of Slum (Yadhi Reddy Banda)	XI - Others (Slum Development)	Yes	Telangana	Ranga Reddy Banda, Jeedimetla, Hyderabad	2 Years	5.39	0.54	0.00	No	Zonal Commissioner, Kukatapally, GHMC	Not applicable as Project approved before 01-4-2021
53	Additional Class Rooms at ZPH Schools	II - Education	Yes	Telangana	Ranga Reddy District	2 Years	22.22	21.47	0.00	No	District Collector, Ranga Reddy	Not applicable as Project approved before 01-4-2021
54	Facilities at Kasturba Gandhi Balika Vidyalaya (KGBV), Shabad	II & III - Education / Women Empowerment	Yes	Telangana	Shabad, Ranga Reddy District,	3 Years	31.38	40.51	7.31	Yes	HAL	NA
55	Sports Amenity Centre at Stadium at Koliyadukam, Kasaragod	VII - Sports	Yes	Kerala	Kasaragod,	2 Years	10.00	15.37	0.00	No	M/s. Nirmithi Kendra, Kasaragod	CSR00013897
56	Rejuvenation of Pond at Anodi Pallom in Puthige Grama Panchayath, Kasaragod	IV - Others (conservation of natural resources)	Yes	Kerala	Kasaragod,	2 Years	10.00	4.63	0.00	No	District Collector, Kasaragod	Not applicable as Project approved before 01-4-2021



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration - Years	(7) Amount allocated for the project (₹ in Lakhs)	(8) Amount spent in the current financial Year (₹ in Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
57	Construction of 4 Class Rooms at Zilla Parishad High School, Kothapet, Medchal District.	II - Education	Yes	Telangana	Medchal-Malkajgiri District	2 Years	6.11	6.11	0.00	No	District Collector, Medchal-Malkajgiri District	Not applicable as Project approved before 01-4-2021
58	Infrastructure Development at Govt. Girls Polytechnic, Lko - Multipurpose Indoor Sports Center & Vehicle Parking for Students	I, II & III - Sanitation, Promoting Education, Women Empowerment	Yes	Uttar Pradesh	Lucknow	2 Years	32.08	22.91	0.00	YES	HAL	NA
59	Construction and provisioning of essential articles/items in Kasturba Gandhi School, Barabanki & Structural Consultancy for KGBV	II - Promoting Education	Yes	Uttar Pradesh	Barabanki	2 Years	68.64	79.70	0.00	YES	HAL	NA
60	Digital Teaching device for primary Schools - Chintah, Chamrahi, Garhi Arazi etc. + UPS	II - Promoting Education	Yes	Uttar Pradesh	Barabanki / Lucknow	2 Years	0.74	0.92	0.00	YES	HAL	NA
61	Construction & Up gradation of Infrastructure in Govt. Schools /Colleges. - CHINHAT & LOKHARIYA	II - Promoting Education	Yes	Uttar Pradesh	Lucknow	2 Years	14.76	4.50	0.00	YES	HAL	NA
62	Smart Class Furniture Items	II - Promoting Education	Yes	Uttar Pradesh	Barabanki / Lucknow	2 Years	11.66	25.63	0.00	YES	HAL	NA
63	Playing Equipment for primary Schools and Drinking water purifier cum Cooler	II - Promoting Education	Yes	Uttar Pradesh	Barabanki / Lucknow	2 Years	13.26	26.86	0.00	YES	HAL	NA
64	Re-appropriation for carry forward project	I - Health Care / Sanitation	Yes	Uttar Pradesh	Barabanki / Lucknow	2 Years	11.98	11.98	0.00	YES	HAL	NA
					Total		3976.73	3143.69				



8(c) Details of CSR amount spent against other than ongoing projects for the financial year 2021-22

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹ in Lakh)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Training of Apprentices over and above the statutory limits	II - Skill Development	Yes	PAN India	Across the Divisions of HAL	1047.37	YES	HAL	NA
2	Satellite Multifunctional Smart Classroom at HAL -IISc Skill Development Centre, Bangalore	II - Skill Development	Yes	Karnataka	Bangalore	0.00	No	IISc	CSR00007370
3	To support the Nizam Institute of Medical Science (Government Hospital) in Hyderabad with Level - 3, 4 & 5 Critical Care Capabilities	I - Healthcare	Yes	Telangana	Hyderabad	800.46	No	Tata Trust	CSR00003775
4	130 th Edition of Durand Cup	VII - Promote Nationally recognised sports	No	West Bengal	Kolkata	5.00	YES	HAL	NA
5	Upgradation of War Memorial Park in Faizabad Cantt	V - Protection of national heritage, art and culture	No	Uttar Pradesh	Faizabad	5.70	No	Faizabad Cantonment Board	CSR00017644
6	Financial Assistance to Mathruachaya - Canara Bank Relief & Welfare Society (CBR&WS) -	II - Promoting Special Education among the differently abled .	Yes	Karnataka	Bangalore	4.37	No	Canara Bank Relief & Welfare Society (CBR&WS)	CSR00006960
7	Financial Contribution to Hiteshi Mahila Maneangala Trust towards Welfare of the Senior Citizens.	III - Setting up Facilities for senior citizens	Yes	Karnataka	Bangalore	20.00	No	Hiteshi Mahila Maneangala Trust	CSR00021095
8	Contribution to People for Animals	IV - Animal Welfare	No	Delhi	Delhi	5.00	No	People for Animal	CSR00001927
9	Reimbursement of Expenditure towards Non-HAL BPL (Below Poverty Line) Children at Vathsalya School for Special Education, Bangalore.	II - Education	Yes	Karnataka	Bangalore	17.00	YES	HAL	NA
10	HAL Football academy	VII - Sports	Yes	Karnataka	Bangalore	65.47	YES	HAL	NA
11	Erection of MIG-21 aircraft at National Military Memorial Park, Bangalore	VI - Protection of National Heritage	Yes	Karnataka	Bangalore	9.33	YES	HAL	NA
12	Providing Health Care facilities to the inhabitants of adopted villages in HAL Hospital and organization of health camps in the surrounding villages.	I - Health	Yes	Odisha	Koraput	35.33	YES	HAL	NA



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹ in Lakh)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
13	Running of SAI-HAL Sports Training Centre and Training / Encouragement to promote Rural Sports	VII - Sports	Yes	Odisha	Koraput	55.48	YES	HAL	NA
14	Imparting Education to poor children in and around Sunabeda, Koraput in HAL run Educational Institutions.	II - Education	Yes	Odisha	Koraput	500.00	YES	HAL	NA
15	Oxygen Generation Plant	I - Health	Yes	Maharashtra	Nasik	81.22	YES	HAL	NA
16	Improvement in facilities / infrastructure Support at Civil Hospital, Nashik -Construction of New Medicine Warehouse for storing medicines, compound wall, provision for Rain water harvesting, Fire- fighting system, Land scaping and gardening, Controlled environment for storing medicine, etc.	I - Health	Yes	Maharashtra	Nasik	147.45	Yes	HAL	NA
17	Improvement in facilities / infrastructure Support for Primary Health Centers in following 9 villages of Nasik District; Saiyadpimpri, Ojhar, Khadkmalegaon, Chandori, Pimpalgaon baswant, Palkhed, Khedgaon, Mohadi, and Talegaon.	I - Health	Yes	Maharashtra	Nasik	41.23	Yes	HAL	NA
18	Provision of High Mast Lamps in the Nearby Villages	X - Rural Development	Yes	Maharashtra	Nasik	150.60	YES	HAL	NA
19	Oxygen Pipelines to 100 ports in Govt. Hospital, Gauriganj Amethi	I - Health	Yes	Uttar Pradesh	Korwa	41.64	No	Chief Medical Officer, Amethi	CSR00010191
20	Smart Class Devices/facility in the Govt. Primary / Upper Primary Schools located in the nearby villages/areas	II - Education	Yes	Uttar Pradesh	Amehi	13.19	Yes	HAL	NA
21	Procurement and Supply of Masks to Joint Commissioner Industries, Kanpur. - For protection against COVID 19 Pandemic in Kanpur.	I - Health	Yes	Uttar Pradesh	Kanpur	8.88	YES	HAL	NA
22	COVID - 19 Care Hospital (CCC)	I - Health	Yes	Uttar Pradesh	Lucknow	1251.51	YES	HAL	NA
					Total	4306.23			

9(b) Details of CSR amount spent in the financial Year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total Amount allocated for the project (₹ in Lakhs)	(7) Amount spent on the Project in the reporting financial Year (₹ in Lakh)	(8) Cumulative amount spent in the end of reporting financial Year (₹ in Lakh)	(9) Mode of Implementation -Direct (Yes/No)	(10) Mode of implementation - Through implementing agency	
1		Tata Institute of Social Sciences Baseline Study	2020-21	2 Years	49.69	12.43	49.69	YES	HAL	NA
2		Infrastructure Development works in the Adopted Govt. ITI's and TTI, Bangalore	2019-20	2 Years	275.00	222.76	262.84	YES	HAL	NA
3		Establishment of Centralized Kitchen through the Akshaya Patra Foundation	2020-21	2 Years	250.00	24.85	249.85	No	The Akshaya Patra Foundation	CSR00000286
4		Establishment of Advance centre for Bio energy Research at University of Agricultural Sciences, Bangalore	2020-21	1 Year	200.00	176.20	187.20	No	University of Agricultural Sciences, Bangalore	CSR00016598
5		Promoting Science, Technology, Engineering, and Mathematics(STEM) education through interactive labs in Government Schools.	2020-21	2 Years	45.00	36.83	36.83	YES	HAL	NA
6		Bus shelter and toilet block construction in villages around HAL LUH project site in Gubbi Taluk	2020-21	2 Years	24.00	22.25	22.25	YES	HAL	NA
7		Football Academy at Bangalore	2020-21	2 Years	52.03	19.19	48.22	YES	HAL	NA
8		Establishment of Covid Care Center	2020-21	2 Years	78.04	3.44	78.41	YES	HAL	NA
9		(i) Construction/renovation of school building of Haricharan Lala Adarsha Prathamick Vidyalaya, Barrackpore. (ii) Barricade for Aquatic Pool at Uneed Asha Kiran School, Barrackpore, for differently abled children.	2020-21	2 Years	25.00	4.96	18.18	No	(i) Through Barrackpore Municipality (ii) Direct	



(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total Amount allocated for the project (₹ in Lakhs)	(7) Amount spent on the Project in the reporting financial Year (₹ in Lakh)	(8) Cumulative amount spent in the end of reporting financial Year (₹ in Lakh)	(9) Mode of Implementation -Direct (Yes/No)	(10) Mode of implementation - Through implementing agency	
10		Promotion of Education in Government School including infrastructure facilities, Rain water conservation, Solar Energy ect. At Mashat Girls' High School under Diamond Harbour-I Development Block, South 24 Parganas, West Bengal	2020-21	2 Years	30.50	2.60	30.46	No	Through BDO, Diamond Harbour	NA
11		Construction of School Hostel Building & Toilet Block at Madan Mohanpur RCS Vidyamondir under Kulpi Block, South 24 Parganas, West Bengal	2020-21	2 Years	29.50	1.19	29.50	No	Through BDO, Kulpi	NA
12		Climate Smart sustainable Organic Agriculture through Natural Farming Practices & Solar Pump Irrigation at Santipur Development Block, North 24 Parganas, West Bengal	2020-21	2 Years	15.00	0.00	11.28	YES	Direct	NA
13		Food, Nutritional items and other facilities to run the Crèche facility Centers (05 Units) approved during 2019-20 (2 nd Year) (14 Lakhs)	2019-20	3 Years	21.25	13.52	20.07	No	District Social Welfare Officer	CSR 00003145
14		Additional class Room in 12 different Schools.	2020-21	2 Years	156.45	35.51	145.51	YES	HAL	NA
15		Infrastructure Development at Deaf and Dumb School, Sunabeda-1 -Multipurpose Dining Hall-Vocational Training Class Rooms - Toilet Block -Approach Road to Hostel	2020-21	2 Years	86.26	22.09	82.09	YES	HAL	NA
16		Pre-Birth waiting room at Public Health Centre, Rabanaguda	2020-21	2 Years	28.68	0.83	27.83	YES	HAL	NA
17		Installation of Sanitary Napkin Incinerators at residential girls schools (10 Nos)	2020-21	2 Years	0.80	0.00	0.78	YES	HAL	NA
18		Rejuvenation of Jagannath Sagar Lake at Jeypore	2020-21	2 Years	100.00	0.00	0.00	YES	HAL	NA



(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total Amount allocated for the project (₹ in Lakhs)	(7) Amount spent on the Project in the reporting financial Year (₹ in Lakh)	(8) Cumulative amount spent in the end of reporting financial Year (₹ in Lakh)	(9) Mode of Implementation -Direct (Yes/No)	(10)	
									Name	CSR registration number
19		Infrastructure Development at SAH-HAL Sports Centre : - Provision of Synthetic Foot Ball Court with Sub-Base - Chain link Fencing on entrance side of the Football Ground	2020-21	2 Years	273.77	263.03	272.65	YES	HAL	NA
20		Construction of Approach Road with Drain & Culvert in Chakroli - Rajpalama, Kakigaon villages & Orphanage (around 2.8 Km in total)	2020-21	2 Years	269.12	55.22	170.88	YES	HAL	NA
21		Establishment of Model Schools equipped with Smart classrooms(04 Schools).	2020-21	2 Years	247.60	145.00	247.60	YES	HAL	NA
22		Provision of Infrastructure Facility in Rural area by Construction (s) / Resurfacing of Roads at Nasik, Maharashtra.	2020-21	2 Years	191.85	7.22	187.22	Yes	HAL	NA
23		Construction of Sewage treatment plant at Nasik, Maharashtra.	2020-21	2 Years	75.36	0.00	65.00	Yes	HAL	NA
24		Waste management Plant i.e. conversion of municipal waste , food waste etc. to Bio Gas at Nasik, Maharashtra.	2020-21	2 Years	66.25	16.25	66.25	YES	HAL	HAL
25		Construction / repair of Check Dams at Waldevi River at Nasik, Maharashtra.	2020-21	2 Years	191.56	67.96	191.56	No	Through State Irrigation Department	Not applicable as Project approved before 01-4-2021
26		Construction of 3 New ZP School Buildings at Nasik, Maharashtra.	2020-21	2 Years	447.89	122.87	357.87	YES	HAL	NA
27		Ambulance to District Administration / Govt. Hospitals (05 Nos) at Nasik, Maharashtra.	2020-21	2 Years	92.50	18.50	92.50	YES	HAL	NA
28		Construction of Skill Development Centre at RGIPT, Amethi for its programme RISE.	2020-21	3 Years	225.00	74.99	149.94	No	Rajiv Gandhi Institute of Petroleum Technology, Jais, Amethi	CSR00010866



(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total Amount allocated for the project (₹ in Lakhs)	(7) Amount spent on the Project in the reporting financial Year (₹ in Lakh)	(8) Cumulative amount spent in the end of reporting financial Year (₹ in Lakh)	(9) Mode of Implementation -Direct (Yes/No)	(10) Mode of implementation - Through implementing agency	
									Name	CSR registration number
29		GYAN ARPAN for imparting remedial tuitions/coaching for students to be undertaken by RGIPT, Amethi. - second year funding of 4 years project (Total Value of Project: Rs. 200.00 lakhs, 04 Year Project, 2020-21 : ₹ 50.00 lakhs, 2021-22 : ₹ 50.00 Lakhs, 2022-23: ₹ 50.00 Lakhs and 2023-24: ₹ 50.00 Lakhs)	2020-21	4 Years	200.00	49.97	99.93	No	Rajiv Gandhi Institute of Petroleum Technology, Jais, Amethi	CSR00010866
30		Provision for drinking water facility, upgradation of waiting room, toilet block, facilities for easy access for PWDs/ women etc. at Railways stations: Amethi, Gaurigani, Musafirkhana	2019-20	3 Years	225.00	72.08	196.00	No	Through implementing agency	Not applicable as Project approved before 01-4-2021
31		Construction of hostels, computer lab, etc. at Kasturba Gandhi Residential Girls Schools at various Blocks in Amethi District	2020-21	2 Years	141.43	23.26	139.33	No	Through implementing agency	Not applicable as Project approved before 01-4-2021
32		Construction of toilets in Anganwadis in Amethi District	2020-21	2 Years	168.90	68.29	161.76	No	Through implementing agency	Not applicable as Project approved before 01-4-2021
33		Wholesome Development of villages nearby to HAL TAD Kanpur a). Construction of Road (W.O.- PW/ CIV/584, Dt.11.11.2020, Rs.367.41 Lakh)	2020-21	2 Years	535.65	132.95	527.24	Yes	TAD - KANPUR	NA
34		Setting up Waste Management System (Installation of Ballistic Separator, Installation of Trommel (02 Nos), Conveyor & Feeding System along with installation.)	2020-21	2 Years	104.99	45.94	104.99	Yes	HAL	NA



(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total Amount allocated for the project (₹ in Lakhs)	(7) Amount spent on the Project in the reporting financial Year (₹ in Lakh)	(8) Cumulative amount spent in the end of reporting financial Year (₹ in Lakh)	(9) Mode of Implementation -Direct (Yes/No)	(10) Mode of implementing agency	
									Name	CSR registration number
35		Infrastructure Enhancement at Community Health Center (CHC), Sarsaul, Kanpur – (a) Construction of Road & Shelter (Ran Basera) with Toilet for Ladies & Gents, Vehicle Parking Shed. (b) Allied Electrical Works (c) Procurement of OT Table, Provisioning of RO Drinking Water, Hydraulic Bed etc.	2020-21	2 Years	59.36	25.76	57.23	Yes	HAL	NA
36		Dormitories to Kasturba Gandhi Balika Vidyalaya (KGBV) Schools (5 Nos. Dormitory Halls)	2019-20	3 Years	200.00	14.54	194.54	No	District Collector, Ranga Reddy	Not applicable as Project approved before 01-4-2021
37		She Toilets (6 Nos.) at Hyderabad, Telegana.	2019-20	3 Years	63.00	13.83	61.85	No	Zonal Commissioner, GHMC, Serilingampally Zone.	Not applicable as Project approved before 01-4-2021
38		Development of Slum (Ranga Reddy Banda), at Hyderabad, Telegana.	2020-21	2 Years	92.00	1.40	84.89	No	Zonal Commissioner, Kukatpally, GHMC	Not applicable as Project approved before 01-4-2021
39		Development of Slum (Yadhi Reddy Banda), at Hyderabad, Telegana.	2020-21	2 Years	60.00	0.54	55.15	No	Zonal Commissioner, Kukatpally, GHMC	Not applicable as Project approved before 01-4-2021
40		Additional class Rooms at ZPH Schools, Ranga Reddy Banda, Telangana	2020-21	2 Years	27.25	21.47	27.25	No	District Collector, Ranga Reddy	Not applicable as Project approved before 01-4-2021



(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total Amount allocated for the project (₹ in Lakhs)	(7) Amount spent on the Project in the reporting financial Year (₹ in Lakh)	(8) Cumulative amount spent in the end of reporting financial Year (₹ in Lakh)	(9) Mode of Implementation -Direct (Yes/No)	(10) Mode of implementation - Through implementing agency	
									Name	CSR registration number
41		Facilities at Kasturiba Gandhi Balika Vidyalyaya (KGBV), Shabad	2020-21	2 Years	50.13	40.51	50.13	Yes	HAL	NA
42		Sports Amenity Centre at Stadium at Koliyadukam, Kasaragod	2020-21	2 Years	55.37	15.37	55.37	No	M/s. Nirmithi Kendra, Kasaragod,	CSR00013897
43		Rejuvenation of Pond at Anodi Pallom in Puthige Grama Panchayath, Kasaragod	2020-21	2 Years	50.00	4.63	44.63	No	District Collector, Kasaragod	Not applicable as Project approved before 01-4-2021
44		Construction of 4 Class Rooms at Zilla Parishad High School, Kothapet, Medchal District.	2018-19	4 Years	60.00	6.11	60.00	No	District Collector, Medchal-Malkajgiri District	Not applicable as Project approved before 01-4-2021
45		Infrastructure Development at Govt. Girls Polytechnic, Lko - Multipurpose Indoor Sports Center & Vehicle Parking for Students	2020-21	2 Years	66.19	22.91	57.02	Yes	HAL	NA
46		Construction and provisioning of essential articles /items in Kasturba Gandhi School, Barabanki & Structural Consultancy for KGBV	2020-21	2 Years	120.99	79.70	132.05	Yes	HAL	NA
47		Digital Teaching device for primary Schools – Chinhat, Chamrahi, Garhi Arazi etc. + UPS	2020-21	2 Years	40.63	0.92	40.81	Yes	HAL	NA
48		Construction & Up gradation of infrastructure in Govt. Schools / Colleges. – CHINHAT & LOKHARIYA	2020-21	2 Years	57.96	4.50	47.70	Yes	HAL	NA
49		Smart Class Furniture Items	2020-21	2 Years	30.41	25.63	30.41	Yes	HAL	NA
50		Playing Equipment for primary Schools and Drinking water purifier cum Cooler	2020-21	2 Years	39.85	26.86	39.85	Yes	HAL	NA
51		Re-appropriation for carry forward project	2019-20	2 Years	57.43	11.98	57.43	Yes	HAL	NA

Summary Report - CSR Project Impact Assessment

Project Name:	Development of Dhondi Ganga Ghat at Sarsaul
Sector:	Develop Infrastructures in Rural Area
Location:	Aima Gram Panchayat, block-Sarsol, District Kanpur Nagar
Start Date:	01/12/2017
Completion Date:	31/03/2019
Impact Assessment Conducted by:	G. B. Pant Social Science Institute, Prayagraj, Uttar Pradesh.

Impact Assessment needs to be conducted for the CSR Projects having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the "Impact Study".

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

Sl. no	Particular	Details
1.	Need for choosing the activity/project (Conduct of Baseline Survey)	In view of the socio-economic-cultural and religious importance of the Ganga, a large number of people come on the bank of the holy river Ganga to perform social-cultural and religious rituals. Understanding these social sentiments and importance, the Ganga Ghat was developed, which benefited a large number of local people and outsiders like bathers, worshipers and many people who come to the banks of the holy Ganga to perform their religious rituals.
2.	Fulfillment of the objectives for the activity/project	Various types of infrastructures like walkway around Murti Visharjan pond, roads, vehicle parking place, steps at Ghat for bathing, pond for Murti Visarjan, shed/shelter for seating, park and high mast lamps, floor by chequered tiles etc. were constructed. A total of ₹ 145.21 lakhs was spent by HAL on the development of this Ganga Ghat.
3.	a. Beneficiaries of the activity/project.	a. Visitor/tourists, bathers, worshipers, monks/ ascetics, residents and people who come for religious rituals/customs and cremation on daily basis and people come on specific days or occasions across the year. These people come from both rural and urban areas.
	b. Approximate Numbers	b. On average Daily around 915 people and 611800 people on a specific day or occasion across the year.
4.	Budget utilization	₹ 145.21 Lakh
5.	Implementation aspects.	All the works were constructed by awarding the tender to reputed contractors.
6.	Timely completion of the targets.	Most of the work was completed within the stipulated time while few works were completed by end of March 2019.
7.	Impact of the activity/project on social, economic and environmental perspective	<ul style="list-style-type: none"> • Footfalls have increased on festive occasions. Due to pakka Ghat, instances of drowning have significantly come down. • The Ghat is convenient for people who come for Karmkand or cremation and the income of different shopkeepers has increased and they are opening more number of shops on specific occasions. The local people are bathing & washing their clothes in a safe hygienic environment and now risk has been taken away. • The developed Ganga Ghat has provided positive impacts which directly change socio-economic and religious-cultural life of local as well as outsiders and the environment of Ghat has become beautiful.
8.	Approx. number of beneficiaries.	6,12,715
9.	Any other relevant points	People expected that HAL-TAD should construct more (3-4) bathing steps of Ghat, Ghat may be extended up to the Hanuman Temple, construct a park & stone chairs, construct a changing room for women, toilet etc.



Summary Report - CSR Project Impact Assessment

Project Name:	Development of Siddhnath Ganga Ghat at Jajmau
Sector:	Develop Infrastructures in Urban Area
Location:	Ward No. 96, Jajmau, Kanpur City
Start Date:	04/03/2017
Completion Date:	31/03/2018
Impact Assessment Conducted by:	G. B. Pant Social Science Institute, Prayagraj, Uttar Pradesh.

Impact Assessment needs to be conducted for the CSR Projects having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the "Impact Study".

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

Sl. no	Particular	Details
1.	Need for choosing the activity/project (Conduct of Baseline Survey)	In view of the socio-economic-cultural and religious importance of the Ganga, a large number of people come on the bank of the holy river Ganga to perform social-cultural and religious rituals. Understanding these social sentiments and Importance, the Ganga Ghat was developed, which benefits a large number of local people and outsiders like bathers, worshipers and many people who come to the banks of the holy Ganga to perform their religious rituals.
2.	Fulfillment of the objectives for the activity/project	Various types of infrastructures like RCC road, vehicle parking place, steps at Ghat for bathing, pond for Murti Visarjan, park and two high mast lamps etc. were constructed. A total of Rs.132.22 lakhs was spent by HAL for development of this Ganga Ghat.
3.	a) Beneficiaries of the activity/project.	a. Visitor/tourists, bathers, worshipers, monks/ ascetics, beggars, residents and people who come for religious rituals/customs and cremation on daily basis and people who come on specific days or occasions across the year. These people come from both rural and urban areas.
	b) Approximate Numbers	b. On average Daily around 9100 people and 3050500 people on a specific day or occasion across the year.
4.	Budget utilization	₹ 132.22 Lakh
5.	Implementation aspects.	All the works were constructed by awarding the tender to reputed contractors.
6.	Timely completion of the targets.	Most of the work was completed within the stipulated time while few works were completed by end of March 2018.
7.	Impact of the activity/project on social, economic and environmental perspectives.	<ul style="list-style-type: none"> • Footfalls have increased on festive occasions. Due to pakka Ghat, instances of drowning have significantly come down. • The Ghat is convenient for people who come for Karmkand or cremation due to RCC road & pakka Ghat and income of different shopkeepers has increased and they are opening more number of shops on specific occasions. The local people are bathing & washing their clothes in a safe hygienic & environment and now the risk of flood has been decreased. • Developed Ganga Ghat has provided positive impacts which directly changed socio-economic and religious- cultural life of local as well as outsiders and environment of Ghat has become beautiful
8.	Approx. number of beneficiaries.	3,59,600
9.	Any other relevant points	People expected that HAL should construct a shed/shelter for the protection of sunlight and rainy water, expansion of Ghat up to Siddhnath temple, construct the changing room for women and installed statues of gods and goddesses at Ghat.

Summary Report - CSR Project Impact Assessment

Project Name:	Improvement & Development of Bahrauli School
Sector:	II – Promoting Education
Location:	Barabanki
Start Date:	11/08/2017
Completion Date:	14/05/2018
Impact Assessment Conducted by:	Dr. Omendra Kr. Yadav, Assistant professor, Department of Social Work, University of Lucknow

Impact Assessment needs to be conducted for the CSR Projects having outlays of one crore rupees or more and which have been Completed not less than one year before undertaking the "Impact Study".

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

Sl. no	Particular	Details
1.	Need for choosing the activity/project (Conduct of Baseline Survey)	With the idea of model schools in villages with various facilities/infrastructure for better education of children Divisional CSR committee has conducted baseline survey for identification of schools with the guiding principle that – school shall be near to the adopted villages, must have sufficient land for future expansion & sufficient number of students and should have sufficient scope of improvement. Based on above criteria committee had identified Bahrauli school for which was near to Jaikaranpurwa village. Students of around 16 villages were enrolled in this school, both primary and middle school was located at same place, school was having sufficient land for future extension and have sufficient scope for improvement/development.
2.	Fulfillment of the objectives for the activity/project	<ul style="list-style-type: none"> • Improvement in the quality of education. • Infrastructure development of Govt. Schools lacking basic infrastructure facilities. • Promoting equal educational opportunity among child in the community. • Promoting Cleanliness & Health • To upgrade the education level with latest technology by providing enabling resources. • Reduced the student turnover rates. • Boosting the Confidence, Critical and Creative thinking level of child. • Changing the community mindset that private schools are better than government schools.
3.	a. Beneficiaries (*) of the activity/project.	a. Rural
	b. Approximate Numbers	b. Around 500 Students
4.	Budget utilization	₹ 102.84 Lakh
5.	Implementation aspects.	Direct Implementation through Division
6.	Timely completion of the targets.	Project completed as per plan.



Sl. no	Particular	Details
7.	Impact of the activity / project on social, economic and environment perspective.	<p>Schools provide access to an education for every child in the community and they ensure that every student in the neighborhood has the same educational opportunities, regardless of their current personal or financial situation. They have the resources to offer more academic opportunities like technology and the arts enabling students to find choices at their ability level as well. In addition to academic opportunities, these government schools also offer a variety of extracurricular activities, ranging from athletics to music and drawing to theatre to keep students learning and excelling in the areas in which they are more interested. The enabling resources provided by HAL like desks, chairs, tables, green boards and audio-visual facilities set a comforting environment for students out there and motivating them to attend classes regularly. Girls and boys including the most marginalized are benefited with the quality education focusing on foundational learnings. The facilities provided by HAL improved the learning environment for children in spite of their socio-economic background. Thus, ensuring them the quality education with the facilities that are generally available to the private schools. Installation of hand pumps in the school ensures clean drinking water for children and staff, clean and hygienic washrooms. Construction of boundary walls prevents stray animals from entering and from outsiders to dump garbage in the school campus. Better infrastructure leads to a better environment which leads to more interest in students attending classes on a regular basis. Thus, improved teaching and better interest of teachers in giving quality education to students. Improvement in results of students has been noticed in the last few years. The presence of green boards and audio-visual facilities also help teachers in explaining the concepts and approaches better to students. Good number of teacher staff is also noticed there. Positive classroom environment due to presence of benches, desk, proper tiling and playing equipment for children. Counseling of students in case of any grievance and availability of first aid for them set children free to come with a positive mindset to attend classes daily. More safety for students and staff out there set a positive environment for them. Organizing extracurricular activities for students helps in boosting the confidence level and presence of playing ground and equipment also contributes a positive factor in improving their interest in both academic as well as in improved psychological approach towards others. A mindset that private schools are far better than government schools is also reducing to some extent among students and staff out there. There is a commitment to ensure that all children should have access to inclusive and equitable quality education. Thus, there has been a decrease in the number of dropouts in schools, increased enrolment and improved learning environment for the children out there. Improved attendance and systematic completion of academic cycles observed in these schools. Critical and Creative thinking, Communication and Participation of students in Extracurricular Activities in these schools contribute to a positive change in the personality of children, resulting in not only improving the academic performance of a child but also preparing a child for future endeavors.</p>
8.	Any other relevant points	

(*)(Rural / Urban/ School Children/ Sr. Citizens/ etc.)



Summary Report - CSR Project Impact Assessment

Project Name:	Installation of Solar Street lights
Sector:	IV – Environmental Sustainability
Location:	Lucknow & Barabanki
Start Date:	03/03/2016
Completion Date:	06/09/2017
Impact Assessment Conducted by:	Dr. Omendra Kr. Yadav,
	Assistant professor,
	Department of Social Work,
	University of Lucknow

Impact Assessment needs to be conducted for the CSR Projects having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the "Impact Study".

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

Sl. no	Particular	Details
1.	Need for choosing the activity/project (Conduct of Baseline Survey)	Electricity most important blessings that science has given to mankind and it plays very significant role in our lives. However, while conducting the base line survey in villages for identification for projects to be under taken by Division it was found that there are many villages which are deprived of electricity and spending their lives in darkness. Accessories Division Lucknow acknowledged this fact and decided to lighten these villages with the use of Solar Energy which is a sustainable and also a renewable source of energy. Around 51 villages were identified in which project was undertaken.
2.	Fulfillment of the objectives for the activity/project	<ul style="list-style-type: none"> • Improvement in the quality of life of villagers. • Helping villagers to perform their work & business during night hours. • Helping students by enabling them to study in proper light during night hours and especially during the time of examinations. • No operating cost for villagers. • Enhanced security in the villages for women & children. • Easy commutation of villagers specially women & children within village during dusk. • Helping in Ensuring Environmental Sustainability. • The system provides electricity quietly, cleanly and requires less maintenance.
3.	a. Beneficiaries (*) of the activity/project.	a. Rural
	b. Approximate Numbers	b. Around 2.5 lakhs villagers
4.	Budget utilization	₹ 226.42 Lakh
5.	Implementation aspects.	Direct Implementation through division
6.	Timely completion of the targets.	Project completed as per plan.



Sl. no	Particular	Details
7.	Impact of the activity / project on social, economic and environment perspective.	<p>Social Impact - It was found that, after the installation of -these solar street lights, the social interactions within the community increased significantly, due to the presence of these lights, people were able to gather and socialize with each other, even during the evening and the night time. This led to greater social harmony and social polyphony. Strong network of community interactions foster both emotional and physical health, hence an increased level of interactions within the community is a sign of good quality of life.</p> <p>Economic Impact - A positive impact was seen in the economic sphere of the life of the people. With the installation of the street lights, increased business hours and hassle free mobility and transportation of the goods and other materials from one place to another, turned out to be profitable for the villagers.</p> <p>Environmental Impact - Previously, students used to study indoors using kerosene based lightning sources. But now they study outside under street lights as they provide better lightning. Also as a replacement for kerosene-based lighting sources, electric lighting substantially reduces indoor air pollution and carbon emissions. The benefits of replacing kerosene with electricity extend beyond a higher-quality lighting source. Switching to electric lighting also means eliminating the indoor air pollution (IAP) caused by the smoke emitted by kerosene lamps, which in India accounts for about half a million premature deaths annually.</p>

8. Any other relevant points

(*)(Rural / Urban/ School Children/ Sr. Citizens/ etc.)



Summary Report - CSR Project Impact Assessment

Project Name:	Renovation and Construction at Schools
Sector:	II – Promoting Education
Location:	Barabanki
Start Date:	01/11/2018
Completion Date:	25/03/2020
Impact Assessment Conducted by:	Dr. Omendra Kr. Yadav,
	Assistant professor,
	Department of Social Work,
	University of Lucknow

Impact Assessment needs to be conducted for the CSR Projects having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the "Impact Study".

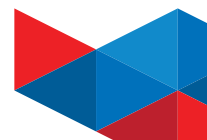
The external agency has evaluated the Projects/activities w.r.t. the following information:

Sl. no	Particular	Details
1.	Need for choosing the activity/project (Conduct of Baseline Survey)	With the idea of model schools in villages with various facilities/ infrastructure for better education of children Divisional CSR committee has conducted baseline survey for identification of schools with the guiding principle that – school shall be near to the adopted villages, must have sufficient land for future expansion & sufficient number of students and should have sufficient scope of improvement. Based on above criteria committee had identified Schools at Ramnagar, Mir nagar, Kursi & Bahrauli which were near to villages adopted by division for conducting CSR activities. All the four schools caters around 1050 students. School was having sufficient land for future extension and have sufficient scope for improvement/development.
2.	Fulfillment of the objectives for the activity/ project	<ul style="list-style-type: none"> Improvement in the quality of education. Infrastructure development of Govt. Schools lacking basic infrastructure facilities. Promoting equal educational opportunity among child in the community. Promoting Cleanliness & Health To upgrade the education level with latest technology by providing enabling resources. Reduced the student turnover rates. Boosting the Confidence, Critical and Creative thinking level of child. Changing the community mindset that private schools are better than government schools.
3.	a. Beneficiaries (*) of the activity/project.	a. Rural
	b. Approximate Numbers	b. Around 1050 Students
4.	Budget utilization	₹ 119.41 Lakh
5.	Implementation aspects.	Direct Implementation through Division



Sl. no	Particular	Details
6.	Timely completion of the targets.	Project completed as per plan.
7.	Impact of the activity / project on social, economic and environment perspective.	<p>Schools provide access to an education for every child in the community and they ensure that every student in the neighborhood has the same educational opportunities, regardless of their current personal or financial situation. They have the resources to offer more academic opportunities like technology and the arts enabling students to find choices at their ability level as well. In addition to academic opportunities, these government schools also offer a variety of extracurricular activities, ranging from athletics to music and drawing to theatre to keep students learning and excelling in the areas in which they are more interested. The enabling resources provided by HAL like desks, chairs, tables, green boards and audio-visual facilities set a comforting environment for students out there and motivating them to attend classes regularly. Girls and boys including the most marginalized are benefited with the quality education focusing on foundational learnings. The facilities provided by HAL improved the learning environment for children in spite of their socio-economic background. Thus, ensuring them the quality education with the facilities that are generally available to the private schools. Installation of hand pumps in the school ensures clean drinking water for children and staff, clean and hygienic washrooms. Construction of boundary walls prevents stray animals from entering and from outsiders to dump garbage in the school campus. Better infrastructure leads to a better environment which leads to more interest in students attending classes on a regular basis. Thus, improved teaching and better interest of teachers in giving quality education to students. Improvement in results of students has been noticed in the last few years. The presence of green boards and audio-visual facilities also help teachers in explaining the concepts and approaches better to students. Good number of teacher staff is also noticed there. Positive classroom environment due to presence of benches, desk, proper tiling and playing equipment for children. Counseling of students in case of any grievance and availability of first aid for them set children free to come with a positive mindset to attend classes daily. More safety for students and staff out there set a positive environment for them. Organizing extracurricular activities for students helps in boosting the confidence level and presence of playing ground and equipment also contributes a positive factor in improving their interest in both academic as well as in improved psychological approach towards others. A mindset that private schools are far better than government schools is also reducing to some extent among students and staff out there. There is a commitment to ensure that all children should have access to inclusive and equitable quality education. Thus, there has been a decrease in the number of dropouts in schools, increased enrolment and improved learning environment for the children out there. Improved attendance and systematic completion of academic cycles observed in these schools. Critical and Creative thinking, Communication and Participation of students in Extracurricular Activities in these schools contribute to a positive change in the personality of children, resulting in not only improving the academic performance of a child but also preparing a child for future endeavors.</p>
8.	Any other relevant points	

(*)(Rural / Urban/ School Children/ Sr. Citizens/ etc.)



Summary Report - CSR Project Impact Assessment

Project Name:	Center of Excellence (COE)
Sector:	II – Skill Development
Location:	Bangalore, Karnataka
Start Date:	05/10/2016
Completion Date:	31/03/2017
Impact Assessment Conducted by:	Machine Tool Technology Department, S. J. Government Polytechnic, K. R. Circle, Bangalore – 560001.

Impact Assessment needs to be conducted for the CSR Projects having outlays of one crore rupees or more and which have been Completed not less than one year before undertaking the "Impact Study".

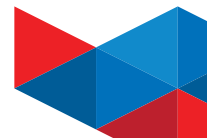
The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. no	Particular	Details
1.	Need for choosing the activity/project	As per the extracts from the Minutes of the Meeting of 13 th CSR & Skill Development Committee, HAL Corporate Office held on 05/04/16, Center of Excellence for Advance Machining has been established in the Technical Training Institute, Bangalore under Corporate Social Responsibility- CSR. Additionally one new trade "Operator Advance Machine Tool- OAMT" was also recommended by the same committee also, under CSR with the intake of 30 students (Below Poverty Line – BPL) of the rural areas of Karnataka State to empower them with requisite skills & make them employable COE was proposed with the outsourcing model for faculty. One officer at Grade VI level as COE head, one officer at grade II/III level as in charge of the trade & one workman at Scale -8 level as instructor for workshop / Lab to be transferred from Divisions to the COE.
2.	Fulfillment of the objectives for the activity/project	₹ 310 Lakh was also sanctioned by the HAL, CO under Corporate Social Responsibility – CSR (HAL CO letter no. HAL/HR/22(1)-40/CO/2016-17 dated 06 th . April, 2016) to develop the infrastructure for approved trade OAMT. Accordingly, 03 nos. CNC Lathe (value ₹ 56,09,028.00) & 3 nos. CNC VMC (Vertical Milling Center - 3 Axis) + 2nos. of Digital Tool Pre-setters (value ₹ 90,57,445.00) were procured to meet the requirement of the syllabus of the said trade under CSR. Also 10 th Standard students were engaged for the said trade OAMT but later registered for the designated trade "CNC programmer cum operator" and accordingly approval from the HAL corporate office was taken on 23/02/2017
3.	Beneficiaries of the activity/project.	a. Students with 10 th . std. pass, who are below poverty line (BPL) category & belong to the remote and rural areas of Karnataka state and are deprived from skilled learning / training & do not have access to employment opportunities
	Approximate Numbers	b. 19 nos. of students who got passed through the exams for the trade "CNC programmer cum operator"
4.	Budget utilization	₹ 1,46,66,473.00



Sl. no	Particular	Details
5.	Implementation aspects.	<p>Completion of procurement action, successful installation, commissioning, operation & testing of the 6 nos. of CNC machines & 2 nos. of Digital Tool Pre-setter was carried out with the use of In house resources.</p> <p>Also, 28 nos of students were engaged for the trade “CNC programmer cum operator” for the two years duration course from Oct. 2016 to Oct. 2018. 20 were eligible for the exams & 19 students got passed out. 12 students are currently employed in various industries & remaining pursuing higher studies</p>
6.	Timely completion of the targets.	<p>Yes. 6 nos. of CNC Machines & 2 nos. of Digital Tool Pre-setter were procured, installed, commissioned & made operational. Approved trade “CNC programmer cum operator” was engaged within the financial year 2016-17 as per the guidelines from the HAL CO & extracts from the Minutes of the Meeting of 13th CSR & Skill Development Committee.</p>
7.	Impact of the activity/project on social, economic and environment perspective.	<ol style="list-style-type: none"> 1. TTI machine shop got a facelift with the commissioning of these 6 nos. of CNC machines (3 nos. CNC Lathe & 3 nos. CNC VMC) and two nos. Digital Pre-setters. 2. 19 out of 28 students got through All India Trade Test (AITT), paid stipend, Welfare items such as uniform , bag shoes etc., awarded National Apprentice Certificate (NAC) pursued higher studies and further got employment in various industries across Karnataka State.
8.	Approx. number of Beneficiary.	<p>19 nos. of Students from the trade “CNC programmer cum operator” engaged in the year 2016-17 & 12 got employed in various industries</p>
9.	Any other relevant points	<p>Approved outsourcing model of the faculty was replaced by the in house resources which resulted in large amount of saving. Faculty was arranged within HAL/ TTI only, resulted saving from the stipend.</p>

(*)(Rural / Urban/ School Children/ Sr. Citizens/ etc.)



Summary Report - CSR Project Impact Assessment

Project Name:	Center of Excellence (COE)
Sector:	II – Skill Development
Location:	Machine Shop (Technical Training Institute) , Foundry & Forge Division, Bangalore
Start Date:	05/07/2017
Completion Date:	31/03/2019
Impact Assessment Conducted by:	Machine Tool technology Department, S. J. Government Polytechnic, K. R. Circle, Bangalore – 560001.

Impact Assessment needs to be conducted for the CSR Projects having outlays of one crore rupees or more and which have been Completed not less than one year before undertaking the “Impact Study”.

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

Sl. no	Particular	Details
1.	Need for choosing the activity/project (Conduct of Baseline Survey)	<p>As per the extracts from the Minutes of the Meeting of 13th CSR & Skill Development Committee held on 05/04/16, HAL Corporate Office has approved Center of Excellence for Advance Machining, to be established in the Technical Training Institute, Bangalore under Corporate Social Responsibility - CSR, and one new trade “Operator Advance Machine Tool- OAMT” also under CSR for the students (Below Poverty Line –BPL) of the rural areas of Karnataka State to empower them with requisite skills & make them employable.</p> <p>COE was proposed with the outsourcing model for faculty. One officer at Grade VI level as COE head, one officer at grade II/III level as in charge of the trade & one workman at Scale -8 level as instructor for workshop / Lab to be transferred from Divisions to the COE.</p>
2.	Fulfillment of the objectives for the activity/project	<p>₹ 200.00 Lakhs was also sanctioned for 2017-18 under CSR for further expanding the facility at Center of Excellence at M/c Shop, TTI Bangalore. ₹ 195.62 Lakhs from the said amount of ₹ 200.00 Lakhs was carry forward against COE to the year 2018-19. Centralized air conditioned enclosure 80 ft.X 64 ft. for housing the 6 CNC machines and two Digital Tool Pre setters procured in the year 2016-17 was proposed to be constructed by Facility Management Division, HAL , Bangalore. In line with the syllabus of the said trade “CNC programmer cum operator” 4 nos of Fanuc Simulators, DNC (Direct Numerical Control) work station with network connectivity for program transfer and air-conditioned classroom with seating capacity of 30 students was also established in the year 2018-19 for the total value of ₹ 1,29,10,795.00.</p>
3.	a. Beneficiaries of the activity/project.	<p>a. 29 nos. of students with 10th std pass from Below Poverty Line (BPL) & rural areas of Karnataka were engaged for the trade under CSR “Operator Advance M/c Tool” for two year duration in year 2018-19. 22 were eligible for the exams & 7 got passed. 5 are currently employed & remaining preparing for AITT (All India Trade Test), as on date of preparation of the report. Also, 28 students for the CNC trade from October 2018 to January 2020 were engaged during the Year 2018-19, 20 were eligible for exams & 15 got passed. 3 out of 15 are employed and remaining are pursuing higher studies.</p>



Sl. no	Particular	Details
	b. Approximate Numbers	b. 07 nos. of students in the CSR full term two years trade "OAMT-Operator Advance M/c Tool" & 15 students for the CNC trade, i.e., total 22 students passed out.
4.	Budget utilization	₹ 1,29,10,795.00
5.	Implementation aspects.	Electrical, Air conditioning and Civil work for the COE enclosure - 80ft.x 64 ft., with DNC Lab, CNC simulator Lab and classroom with seating capacity for 30 students of value ₹1,07,51,795.00 was completed by Facility Management Division (FMD) in the year 2018-19, a sister division of HAL Foundry & Forge Division in coordination with Technical Training Institute, Bangalore. DNC work station (₹ 5,15,000.00) and 4 nos. of FANUC Simulators (₹ 16,44,000.00). Installation carried out by Vendor in co-ordination with TTI.
6.	Timely completion of the targets.	The centralized air conditioned AL-Glass partition enclosure (80 ft. 64 ft.) got completed in the year 2018-19 and completion certificates for Civil, Electrical and Air Conditioning Work were obtained from FMD for the said Financial Year. Hence total cost of ₹ 1,07,51,795.00 for the said enclosure has been considered to happen in 2018-19. Also, to meet the practical requirements of the syllabus of the said trade, 4 nos. of Fanuc Simulators & DNC network was also established in the year 2018-19 bringing the total utilized amount to ₹ 1,29,10,795.00
7.	Impact of the activity/project on social, economic and environment perspective.	<ol style="list-style-type: none"> 1. State-of-the art infrastructure in terms of Centralized Air Conditioned COE enclosure, Class Rooms, DNC lab and CNC Simulator Lab Facility was made available for 29 students of OAMT trade under CSR & 28 students of the CNC trade. 2. Conducive, comfortable and ease of sitting / study surroundings for the students with audio visual facility. 3. Uniform, shoes and Bag were provided to the students.
8.	Approx. number of Beneficiary.	5 nos. from OAMT & 3 nos. from CNC are currently employed in various industries across Karnataka State. Remaining are pursuing higher studies or preparing for AITT (All India Trade Test), as on date of preparation of the report.
9.	Any other relevant points	Current employment status indicates that Trade "CNC programmer cum operator was found to be largely employable and syllabus matches to the established infrastructure" so TTI continue to engage the said trade after the engagement of one batch of the trade "Operator Advance M/c Tools" in line with the directive from HAL, CO.



Annexure IV to Board's Report

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31st March 2022)

[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 2021-22. 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 2022** 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, 2022** 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) 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, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable during the audit period)**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(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, 2009; **(Not Applicable during the audit period)**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable during the audit period)**
- i. Guidelines issued by Department of Public Enterprises;
- j. Guidelines issued by Ministry of Defense;
- k. Guidelines issued by Department of Investment and Public Asset Management (DIPAM);
- l. 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) Regulation, 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 and issue of bonus shares during the financial year 2021-22. The Company awaits response from Ministry for splitting of shares and disinvestment of balance 0.15 % shares.

During the year under review, the Company was required to spend an amount of ₹ 81 Crores towards CSR activities, However, the Company has spent an amount of ₹ 78.27 Crore. The Company has transferred ₹ 2.73 Crore to "Unspent CSR Account 2021-22" towards unspent CSR amount of ongoing projects.

During the year under review Bombay Stock Exchange Ltd (BSE) and National Stock exchange (NSE) have imposed fine of ₹ 28.85 Lakhs each, on the Company for non-compliances under SEBI (LODR) Regulations, 2015.

We further report that:

1. As on 31st March 2022, the Company was required to appoint 6 independent Directors and 1 Functional Director to comply with the requirement of proper constitution of Board pursuant to the direction of Ministry of Defence vide their letter dated 5th December 2014 read with Regulation 17 of SEBI (LODR) Regulations, 2015.
2. Due to the vacancy created in the positions of independent directors, as on 31st March, 2022, the Company was not able to comply with the requirements of Audit Committee and Nomination and Remuneration Committee as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
3. The Company has reconstituted the Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility and Sustainable Development (CSR & SD) Committee on 10th February 2022 after appointment of Dr. Divya Gupta as independent director.

We further observed that:

- i. due to the vacancies created in the positions of Board on completion of term of independent directors, there was no independent director present at the Board Meetings held between 24th July 2021 and 27th December 2021.
- ii. In the absence of duly constituted/reconstituted committees as aforesaid, the matters to be approved by the said committees including related party transactions and CSR were directly approved by the Board.

On the above matters, it was explained by the Company that, since appointment of Independent Directors in the Government Companies is being made by concerned Administrative Department of the Government of India, the Company has no control over such appointments. Multiple requests were made to the Ministry of Defence (MoD) for filling the vacant posts of Independent Directors in the Company, within the stipulated time, referring penal provisions both under the Companies Act, 2013 and SEBI

Regulations. After continuous follow ups on the matter with MoD and DPE, one Independent Director was appointed in the Company by the Government on 28th December, 2021.

It was further explained that, since the appointment of Independent Directors in the Government Companies has to be made by the concerned Administrative Department of the Government of India, application for waiver of fines on such matter where Company has no control over such appointments, has already been submitted to NSE and/or BSE on 17th February, 2021, 24th May, 2021, 23rd August, 2021, 23rd November, 2021 & 22nd February, 2022 respectively under Sl. No. 3(a) of the Policy of exemption of fines issued by SEBI. However, in response, NSE vide email dated 8th December, 2021 and 4th May, 2022, advised the Company to file such applications only after resuming the compliances in the Company.

It was further explained by the Company that, later, on appointment of Shri Deepak Abasaheb Shinde as Independent Director by the Government on 28th April, 2022, Company has regularized the composition of Audit Committee and Nomination & Remuneration Committee w.e.f. 4th May, 2022. However, composition of the Board with respect to independent directors is yet to be complied by the Company due to non-filling of five independent director posts in the Company by the Government.

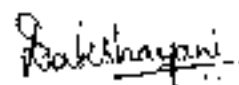
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda before the meeting and for meaningful participation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

Majority decision is carried 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.

Keeping in view of the market capitalization, nature of industry in which the Company operates, we are of the opinion that proper constitution of Board and committees at the earliest will enhance the interest of Company and stakeholders.

For DPSP and Associates
Company Secretaries



P. Dakshayani
Partner

Date: 10/05/2022
Place: Bengalore

C.P. No. 8411
UDIN: F008993D000298150

*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.

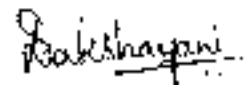
**'ANNEXURE A'**

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: F008993D000298150

Date: 10/05/2022
Place: Bangalore



Management Discussion & Analysis Report

1. INDUSTRY

After initial shocks of COVID-19 and global lockdowns in 2020 and 2021, the Aerospace & Defence (A & D) industry is recovering in both Commercial and Defence sectors, however the recovery is expected to be uneven across the two sectors. The Defence sector is expected to grow in 2022-23, due to rising global geopolitical conflicts many countries may significantly increase Defence budgets and remain committed to strengthening their military capabilities.

1.1 Global Scenario

1.1.1 The A&D Industry is a vast industry which encompasses Commercial and General Aviation, Military Aircraft, Space Systems, Ground Defence and Shipbuilding. As per an industry report the global Aerospace & Defence market is expected to grow from \$700 billion in 2021 to \$755 billion in 2022 at a growth rate of 7.8%. The growth is mainly driven by the companies due to recovery of their operations from the COVID-19 impact, and Defence budget allocation in various countries. As per Stockholm International Peace Research Institute (SIPRI) report, in 2021 world military expenditure crossed two trillion US dollar reaching \$2,113 billion, which is 0.7% higher than 2020. Total world military spending accounted for 2.2% of global Gross Domestic Product (GDP) in 2021.

1.1.2 As per estimates the global A&D market is expected to reach \$1047 billion in 2026. Presently, the key technology drivers in the A&D industry are Electric Propulsion, additive manufacturing and digitization.

1.2 The Indian Scenario

1.2.1 The Indian A&D Industry is dominated by Defence sector. Therefore Defence projects, policies and funding by Govt play crucial role in development of A&D industry in India.

1.2.2 As per SIPRI report (Trends in World Military Expenditure – 2021), India is at 3rd position in world in terms of military spending with \$ 76.6 billion in 2021. This was 0.9% higher than in 2020 and it is 2.7% spending as a share of Indian GDP.

1.2.3 In the Union Budget 2022-23, ₹5,25,166 Crore has been allocated for Defence. This includes expenditure on salaries of armed forces and civilians, pensions, modernisation of armed forces, production establishments, maintenance, and research and development organisations. This is 9.82% higher than ₹4,78,196 Crore (BE for FY 2021-22).

1.2.4 Under “Aircraft and Aero-engine” category, Indian Army has received an allocation of ₹2,070 Crore, Indian Navy has received an allocation of ₹5,926 Crore and Indian Air Force has received an allocation of ₹18,966 Crore, summing to a total allocation of ₹26,962 Crore for Aircraft and Aero-engines.

1.2.5 In the recent years significant impetus has been given by the Government to develop and strengthen the A&D Industry in the country. The Defence Acquisition Procedures (DAP-2020) which promotes higher indigenous content in the Defence procurements has been released. Positive lists of Defence equipment to be procured within the country has been released. Significant thrust has been given to the indigenisation of Defence equipment under “Aatmnirbhar Bharat” movement to reduce Defence import bill and make the country self-reliant in Defence.

2. ORGANISATION STRUCTURE

2.1 Presently, HAL has 20 Production Divisions and 10 R&D Centres co-located with the Production Divisions. These Divisions / R&D Centres are located at nine geographic locations in seven states across the country. These Divisions are organized into five complexes with current & future operations given below.

- Bangalore Complex (BC): Production and ROH of Fixed-wing Aircraft and Engines (Indian and Western origin), Spacecraft Structures, Castings, Forgings & Rolled Rings.
- MiG Complex (MC): Production and ROH of Fixed-wing Aircraft and Engines (mainly Russian origin), Civil MRO and UAV Projects.
- Helicopter Complex (HC): Production and ROH of Helicopters (Indian and Western origin).
- Accessories Complex (AC): Production and ROH of Transport Aircraft. Production and ROH 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

3.1 SWOT Analysis is the tool to assess internal strengths and weaknesses of the organisation as well as to identify potential opportunities and threats in its external environment. The SWOT analysis of the company is as follows:



Strength

- The capability to cater a large spectrum of aerospace business which includes R&D, Production and MRO 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 absorption of Transfer of Technology (ToT). Successfully completed ToT and production of Jaguar, Hawk, MiG-21, MiG-27, Su-30MKI, Cheetah and Chetak helicopter.
- Expertise in Design & Development of utility and combat helicopters. A wide range of helicopter platforms like ALH, LCH, Rudra and LUH have been developed. Further, design efforts has been initiated with internal funding for 13 tonnes class of Helicopter i.e. Indian Multi Role Helicopter (IMRH) and Deck Based Multi Role Helicopter (DBMRH).
- Trusted partner of Indian Defence Forces for providing support to aging fleets.

Weakness

- Dependency on foreign OEMs for critical materials and LRUs.
- Little presence outside India in export market.
- The company's cash flow mainly depends on the allocation of the budget by the MoD.

Opportunity

- Multiple policy reforms in the Country to promote Defence manufacturing.
- Focus of Government on Atmanirbhar Bharat to reduce Defence import bill.
- Gradually developing civil MRO opportunities in India.
- Development of new potential market in India such as for regional jets, UAVs etc.
- Growth potential through alliance and partnership for global markets.

Threat

- Change in preference of Defence customers by moving away from single source to multiple sources.

- Collaborations of Global OEMs with private companies in India and capability building by them.
- The Strategic Partnership (SP) Model may deprive HAL of some high value Defence orders.
- Competition from foreign companies due to increase of FDI limit from 49% to 74% through the automated route.
- COVID-19 specific risks: In case of surge in COVID, economic depression, downsizing of Defence budget, Supply chain disruptions, failing of vendors, legal complications etc.

4. OUR STRATEGIES

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

- Diversify into civil market for both manufacturing and MRO opportunities.
- Enhance indigenisation to ensure higher indigenous content in our products.
- Expand our operations globally through collaborations with global partners.
- Exploring global market and export opportunities.
- Enhance customer satisfaction and improved quality of products and services.
- Strategic product development to bring out right products for our customers at right time.
- Focus on increasing operational efficiencies by adapting latest technologies.

5. COVID-19 IMPACT ON THE INDUSTRY AND RECOVERY MEASURES

5.1 There had been difficulties during the second and third wave of COVID. However, with adequate preparatory measures and strict safety protocols in place, company was well equipped to handle the situation and could continue activities as usual.

6. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

6.1 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.

7. OUTLOOK

7.1 In the year 2022-23, defense budgets and revenues for defense contractors are expected to remain largely stable



or increase, as military programs continue to be critical to national Defense, especially considering geopolitical tensions. Global defense spending is expected to grow about 2.5% in 2022, as major world powers continue to strengthen their militaries in response to geopolitical tensions.

7.2 Both military and commercial aerospace sectors have good growth potentials in India. In 2022-23, the total allocation (including pensions) of the three forces is ₹ 4,92,957 Crore which is 94% of the total defence budget. Out of this, allocation for Army accounts for 58% of the defence budget followed by the Air Force at 19% and Navy at 16%. This year 25% of Defence R&D budget is earmarked for private industry, startups and academia.

7.3 India has plans to develop civil aviation in the country through regional connectivity for its tier-2 cities. Government has launched UDAN Scheme for the purpose. HAL is contributing to the UDAN initiative through its Do-228 civil which is the first made in India civil aircraft used for commercial flight. Type Certification of Hindustan 228, a variant of Do-228 has been received from DGCA on 19th May, 2022.

7.4 The possible opportunities available for the Company in the future are:

- Thrust of the Government towards domestic products for developing a self-reliant industry will bring greater opportunities for new orders.
- The stability of military sector during the time of crisis will entice commercial players to diversify in to military sector as risk mitigation strategy. This will bring opportunities for HAL to diversify into commercial sector by forming strategic alliance with such companies.

7.5 The Aerospace Industry has always been capital-intensive with high technological requirements and long gestation periods. In addition, the industry has challenges in supply chain, and has to contend with costly raw material, unavailability of skilled labour, technological requirements and multiple suppliers. The Government is supporting the industry through the creation of Defence Industry Corridors and Special Economic Zones (SEZ). This will help micro, small and medium enterprises (MSMEs) that supply components and sub-assemblies to large manufacturers. The long gestation period and capital intensity often creates entry barriers for MSMEs in this sector. SEZ would make it easy for companies to have access to talent and create synergies on logistics.

7.6 Since the industry needs a skilled talent pool for this highly specialized industry, the initiation of the Government to create skill centers, educational institutions and universities that are tailor-made for the Aerospace

Industry will significantly help in making India a preferred manufacturing destination.

8. RISKS AND CONCERNS

The major risks and concerns of the Company are:

- Dependence on foreign OEMs for supply of critical components and Spares required for the manufacture and overhaul of Aircraft/ Helicopters.
- Dependence on limited customers for new contracts, quantum of allocation of Defence budget and timely allocation of budget.
- Competition from domestic and foreign players.
- Risk of natural disasters and pandemic.
- COVID-19 specific risks: In case of surge in COVID, economic depression, downsizing of Defence budget, Supply chain disruptions, failing of vendors, legal complications etc

9. MEASURES TO TACKLE CHALLENGES

9.1 The measures taken by the Company to address the challenges, concerns and risks are as follows:

Mitigating Strategic Challenges

- The Company is focusing on diversification and enhance its revenues from commercial / civil sector to maintain the growth and mitigate the risks of skewed Sales Portfolio towards Defence.
- The Company is focusing on forming strategic alliance with global aerospace companies to expand its exports market and revenue from exports.

Mitigating R&D Challenges

- The Company is putting focus on market oriented products and technology developments to complement with company goals to expand in commercial and export market.
- The Company has always focused on participation of academia with Industry. Over the years, the Company has established chairs at IITs and IISc to benefit from technological developments and their application in our R&D programs.
- The company is focusing on enhanced participation of Startup, SME/ MSME Companies in R&D and technology development.

Mitigating Marketing Challenges

- The Company is putting enhanced impetus on strengthening and leveraging Marketing and Business



Development to complement business expansion goals.

Mitigating Operational Challenges

- The Company is focusing on enhanced digitalization and IT enabled systems for speedy communication and decision making.
- The Company is focusing on use of advanced materials, Advanced Manufacturing Technologies and automation to improve product quality and achieve operational efficiencies.

10. CUSTOMER ORIENTATION

During the year, the Company has undertaken following initiatives towards customer orientation:

Implementation of new Customer Feedback Mechanism and CSAT (Customer Satisfaction) Index:

The Company has upgraded the system of collecting feedback from customers across all levels. The physical performance in the areas of AOG, RMSO & RRT clearance are also factored in to arrive at final Customer Satisfaction Index for each Division, which will be utilised for rating the Divisions.

Introduction of Minimizing AOG Programme:

A programme to forecast and minimise AOG so as to enable Customer to improve their serviceability and operational preparedness has been initiated.

Introduction of e-mechanism to address various Customer issues

HAL has introduced a digital methodology to address various customer issues involving technical, supply chain and finance in a time bound manner.

Introduction of online BQ portal

HAL has implemented BQ portal for online submission of BQ (Budgetary Quotes) for various requirements of Customer, thereby reducing Customer procurement timelines.

11. INTERNAL FINANCIAL CONTROLS

11.1 The Company has set up proper and adequate Internal Financial Controls with respect to financial statements. Systems Audit is carried out by an internal team of officials with a combined finance and technical background. This is in addition to the internal audit by firms of Chartered Accountants/ Cost Accountants. Manuals pertaining to various functions/activities such as Purchase, Outsourcing, Stores, Accounts, Systems Audit etc., have been updated and implemented. Any instance of material weakness in

the operations, if observed, is followed up with necessary remedial measures and suitable disclosures have been made in the Notes to Accounts.

11.2 The Statutory Auditors are also required to issue the Independent Auditor's Report vide Section 143(3)(i) of the Companies Act. The Report issued thereupon has been attached along with the standalone and consolidated financial statements respectively.

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

(₹ in Lakh)

Sl. No	Particulars	Year Ended 31 st March, 2022	Year Ended 31 st March, 2021
1	Turnover	24,36,166	22,50,096
2	Revenue from Operations	24,62,021	22,88,236
3	Value of Production	23,76,948	20,04,352
4	Gross Margin	6,39,916	5,69,368
5	Profit Before Tax	5,23,115	4,27,738
6	Tax Expense	14,465	1,03,793
7	Profit After Tax	5,08,650	3,23,945
8	R&D Expenditure	1,96,691	1,68,740
9	Net Worth	19,26,400	15,36,818
10	Trade Receivable	4,64,155	5,66,955
11	Cash and Bank Balance	14,34,361	7,16,633
12	Borrowings	-	907
13	Book Value Per Share (₹)	576.10	459.59
14	Earnings Per Share (₹)	152.11	96.88
15	Dividend Per Share (₹)	40.00	30.00
16	Debtors Turnover Ratio	4.73	2.66
17	Inventory Turnover Ratio	1.57	1.24
18	Interest Service Coverage Ratio	Nil	Nil
19	Current Ratio	1.8:1	1.6:1
20	Debt Equity Ratio	Nil	Nil
21	Operating Profit Margin (%)	17%	17%
22	Net Profit Margin (%)	21%	14%
23	Return on net worth %	26%	21%

Reason for significant changes in ratios:

- Debtors Turnover Ratio improved in FY 21-22 due to improved collection from customers.
- There is a growth in sales during the current year as compared to previous year and also there is a



considerable reduction in holding of inventory in the current period has resulted improvement in Inventory Turnover Ratios.

- Net Profit Margin has improved in FY 21-22 due to receipt of Income Tax Refund of previous years amounting to ₹1193 Crores.
- Return on Networth has improved in FY 21-22 due to receipt of Income Tax Refund of previous years amounting to ₹1193 Crores and retention of profit in Reserves.

13. HUMAN RESOURCE DEVELOPMENT

13.1 During the year, the Human Resource Development initiatives were focussed on developing competencies and thereby creating a competitive Performance driven culture amongst Employees. In order to augment the efforts that develop core HR Competencies within the Company, foundations were placed through initiating dialogue among HR Professionals in areas such as Performance Management, HR Analytics, Strategy, Competency Mapping, Succession Planning and Training & Development.

13.2 Succession Management Dashboard was developed and released during the year that would help the Top Management in effectively planning successions, by collating data from various sources. The Fifth batch of Leadership Development Programme commenced during the Year to enable continual availability of leadership pool within the Company.

13.3 In order to delve into the qualitative aspects of creating a leadership pipeline, to strengthen Assessment criteria and to foster a culture of Learning & Development, amendments in the prevailing Promotion Policy for Executives were released. To strengthen and build the Innovation Culture of the Company, a Rewards & Incentive Scheme for creating of Intellectual Property Rights (IPR) was introduced during the Year.

13.4 During the year, 20 Officers were sponsored for Online M.Tech (Aerospace Engineering) Course at IIT Madras.

14. HAL MANAGEMENT ACADEMY (HMA)

During the year 2021-22, HMA organized 114 Programs including MDPs, LDP, Revenue Generating & Post Graduate Diploma courses during 2021-22 achieving the planned target in the Covid-19 pandemic situation. These programs were attended by 8,948 participants comprising about 17,141 man-days of training. In addition, Executives were encouraged to take up training in MOOC programs, live interactive classes on online platforms. Some of the initiatives undertaken in training during 2021-22 are as follows:

(i) **Training for DGAQA Probationary Officers:** A 12 weeks of Induction Training Program for DGAQA Probationary

Officers selected through Indian Engineering Services (IES) was designed and organized by HMA. The training encompassed technical modules on Aerodynamics, Manufacturing technologies, Aircraft Systems, Quality fundamentals, Life Cycle Management, MRO aspects, Behavioral Competencies etc. and included special lectures by Industry experts.

(ii) **Mutual Expression of Interest between HAL and Indian Navy:** HAL signed a Mutual Expression of Interest (MEI) with the Indian Navy for organising and conducting academic programs for Naval Officers leading to Certification, Award of Degree / Diploma, Seminars and Conferences and any such activity towards sharing and enhancing of knowledge and skills in the Aviation and Aerospace domains.

(iii) **HMA Hybrid Certification Program:** To foster the culture of Learning & Development, HMA offered its own customised Online Certification programs on HMA's portal 'HMA NeXt' which is conducted on an Online Learning Management System. The program concludes with an Online examination on the LMS Portal enabling the participants to be eligible for their Promotion.

(iv) **MOOC (Massive Open Online Courses) Programs:** Executives were encouraged to take up courses from the Best Universities across the world through MOOC Programs. Courses from platforms such as Coursera, edX, NPTEL etc. were introduced to Officers. During the year, 112 MOOC programs were conducted and completed by 3150 Officers.

(v) **Institution Programs:** HMA collaborated with reputed Institutions such as IIM-Ahmedabad, IIT-Madras, IIT Kanpur, IIT-Kharagpur, IIIT-Dharwad, IICA, NITIE, NLSIU, IMTMA, CII, ISI, and ISME for various Management Development Programs, MTs/DTs Training Programme and PGDM programmes.

(vi) **'DISHA' - Capability Enhancement for Board Roles Program for Nominee Directors:** HMA conducted a one day program 'Capability Building Workshop' for Nominee Directors with an objective of imparting insights on Governance and Strategy, Roles and Duties of Directors, Board Dynamics and its roles in building a resilient company.

15. SKILL DEVELOPMENT

15.1 Skill Development Policy (SDP) for the employees in non-executive cadre has been introduced in HAL in July 2016 with an objective to enhance individual's skill, knowledge and understanding to achieve performance excellence by eliminating waste in terms of Rework, Rejection & Premature product failures, thereby enhancing productivity, quality & customer satisfaction and strengthening the competitiveness of the company.



15.2 More than 775 training contents have been developed to impart skill training to the employees across HAL by the domain specialists. Assessment is carried out after the training and coaching/mentoring so as to measure the effectiveness of the training and improvement in skill levels.

15.3 **Training Delivery:** Over 4200 employees having skill gap have completed Classroom Training (CRT), Shop Floor Training (SFT)/Work Place Training (WPT) & Coaching/Mentoring (CMT) process across HAL during the year 2021-22. Overall, 10000 employees (96%) have completed CRT, SFT & CMT out of 10450 employees having skill gap.

15.4 **Assessment of Employees:** More than 9000 employees (90%) have been assessed to measure the effectiveness of training process and its impact on skill level out of the 10000 employees who have completed CRT, SFT/WPT&CMT.

15.5 **Training within Industry (TWI):** TWI is a problem solving tool, used for stabilizing and standardizing work to reduce the variations and boost productivity. As on March 31, 2022, 415 TWI projects have been identified and completed in the vital areas of Manufacture, Assembly and Maintenance of Rotary wing and Fixed wing Aircrafts. 750 employees have newly acquired critical skills. This has improved productivity and resulted in reduction of cycle time and cumulative savings of approx. ₹ 40 Crores.

15.6 An MoU was signed with AASSC regarding assessment and certification of 1000 employees in phase I. During the year, 983 tenure based and regular employees were assessed and certified against NCVET (National Council for Vocational Education and Training) approved aerospace Job roles. Totally, 1186 employees have been assessed and certified upto March 31, 2022.

15.7 **Mission Prakshalan (5S implementation):** Mission Prakshalan has been launched in all the Departments across HAL to transform the organization into a clean, safe and efficient world-class Organization. It is being executed by identified officers trained as 5S Champions. As on March 31, 2022, 201 projects have been completed and over 600 employees have been trained.

16. MANPOWER

Total Employees as on 31 st March 2022	Officers	Workmen		Total Workmen
		Direct	Indirect	
25,412	7,783	11,284	6,345	17,629

17. 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, Air Prevention and Control of Pollution Act (1981), Environment (Protection) Act, 1986, Water Act 1974 (Prevention and Control of Pollution), 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.

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

Solid 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 select places. At Bangalore, 1.5 Tons per day capacity bio-gas plants are installed.

Hazardous Waste Management: 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 to the public areas. The sludge generated from the STPs is converted into manure and reused.

e-Waste Management: 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 with MSTC Limited (Central PSU) for disposal through authorized Dismantlers / Recyclers / Refurbishers.

Waste Oil Management: Waste Oil produced during 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.

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.

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.

Rain Water Harvesting (RWH):

The Company has installed Rain Water Harvesting (RWH) systems at all its locations. The stored water is used for gardening and other non-potable uses. Rain Water Harvesting Systems are made compulsory in all new Buildings.

Water bodies like Lakes and Ponds adjacent to some of the Divisions, are cleaned and taken care as a step towards ensuring availability of constant source of Ground Water.

The Lake De-siltation, afforestation & Water –literacy works were undertaken by HAL under CSR as part of the Kumudavathi River Rejuvenation Projects - Phase 2 activities.

Afforestation: The Company has been planting saplings every year. The Division-wise details of saplings planted during the years 2021-22 & 2020-21 are as indicated below:

Sl. No.	Name of the Division / Complex	Total number of Saplings planted during	
		2021-22	2020-21
1	Bangalore	1127	1002
2	Koraput	24350	2600
3	Nasik	2600	850
4	Korwa	5000	1251
5	Lucknow	2200	16630
6	Barrackpore	607	564
7	TAD, Kanpur	2790	5600
8	Hyderabad	2300	11905
Total		40974	40402

Renewable Energy:

Rooftop solar: HAL has installed a total of 7.9 MW capacity Rooftop based Solar Energy Systems, till date.

Ground mounted solar: HAL has installed a total of 26.50 MW capacity Solar power plants, till date.

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 more than 79000 Tons of CO₂e emissions annually thereby contributing to the mitigation of climate change.

The Company has established a 560KW solar power plant at its Hyderabad Division to meet the approx. 70% Township Electricity requirements and a 2MW solar power plant has been established to cater to 40% of Divisional requirement.



Corporate Governance Report

1. A BRIEF STATEMENT ON YOUR COMPANY'S PHILOSOPHY AND CODE OF GOVERNANCE

Your Company has a well-defined Corporate Governance system which underlines its commitment to quality of governance, honesty, integrity, accountability, disclosures, Corporate Social Responsibility, transparency in decision making and accountability to take care of the interest of all the stakeholders. The Company believes that all its operations must be spearheaded towards attaining the final objective of enhancing the stakeholders' value and financial prudence. Your Company being a Public Listed Company adheres to Corporate Governance requirements for listed entity enunciated by Department of Public Enterprise (DPE) and SEBI (LODR) Regulations.

The Board of Directors ("The Board") is at the core of our Corporate Governance practice and ensure that the management serves and protects the long term interest of all our stakeholders.

Your Company has formulated and uploaded the following policies/codes on its website at www.hal-india.co.in in line with the Companies Act, SEBI (LODR) Regulations and DPE Guidelines:

- Code of Business Conduct and Ethics for Board Members and Senior Management
- Insider Trading Policy
- Policy on Related Party Transactions
- Policy on determination of Materiality of Disclosures
- Policy for Preservation and Archival of Documents
- Training Policy for Directors
- Corporate Social Responsibility Policy
- Whistle Blower Policy
- Risk Management Policy
- Dividend Distribution Policy
- Policy on determining Material Subsidiary
- Policy on Business Responsibility Report
- HR Manuals
- Vigilance Manuals containing vigil mechanism

2. BOARD OF DIRECTORS

The Board of Directors headed by the Executive Chairman and Managing Director (CMD) is the apex body which oversees the functioning of the Company. The Board provides long-term vision and strategic thinking in order to improve the quality of governance. It has constituted Sub-Committees to facilitate smooth and efficient decision-making process.

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

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

As on March 31, 2022, the Board of Directors of the Company comprised of four Whole time / Functional Directors including the Chairman and Managing Director, two Government Nominee Directors and one Non-Executive (Independent) Director.

Your Company being a Government Company, the appointment of all Directors is done by the President of India, through the Ministry of Defence (MoD). As on March 31, 2022, the position of 6 independent directors were lying vacant due to completion of their tenure. The matter with respect to filing of vacant post of independent directors is under consideration with MoD.

Directors are not inter se related to each other.

(a) Composition and Category of Directors

As on March 31, 2022, 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	Shri R. Madhavan, Chairman and Managing Director and *Addl. Charge of Director (Operations)	08209860
2	Shri Arup Chatterjee, Director (Engineering and R&D)	08139347
3	Shri C.B. Ananthakrishnan, Director (Finance) and CFO	06761339
4	Shri Alok Verma, Director (Human Resources)	08652280
Government Nominee Directors (Non-Executive)		
1	Shri Chandraker Bharti, Joint Secretary (Aero), DDP, MoD	02599261
2	Dr. Tessy Thomas, DG (Aeronautical Systems), DRDO	08189164
Independent Directors (Non-Executive)		
1	Dr Divya Gupta	00236773

* For a period of 3 months from 01.03.2022 or till the post of Director (Operations) is vacant, whichever as earlier.

(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 57 th AGM	No. of other Directorship	Name of other listed entity in which Directorship held & category	No. of Committee memberships across all Companies #	
							As Chairman	As Member
Whole-time/ Functional (Executive) Director								
1	Shri R. Madhavan	12	12	Yes	2	Nil	Nil	Nil
2	Shri Arup Chatterjee	12	12	Yes	1	Nil	Nil	Nil
3	Shri C.B. Ananthakrishnan	12	12	Yes	1	Nil	Nil	2
4	Shri M S Velpari*	11	11	Yes	Nil	Nil	Nil	Nil
5	Shri Alok Verma	12	12	Yes	1	Nil	Nil	1
Government Nominee Director (Non-Executive)								
6	Shri. Chandraker Bharti	12	11	Yes	4	Government Nominee Director-Bharat Dynamics Limited	Nil	Nil
7	Dr. Tessy Thomas	12	12	No	Nil	Nil	Nil	Nil
Independent (Non-Executive) Director								
8	Dr. S. Malla Reddy*	3	3	NA	Nil	Nil	1	1
9	Rear Adml. K.C. Shekar, AVSM, VSM (Retd.)*	3	3	NA	Nil	Nil	1	1
10	Dr Divya Gupta*	3	3	NA	2	Nil	1	Nil

*Note

- Shri M S Velpari ceased as Director on the Board of the Company due to his superannuation on 28.02.2022.
- Rear Adml K C Sekhar and Dr Malla Reddy ceased as Independent Director on the Board of the Company due to Completion of their tenure on 23.07.2021.
- Dr Divya Gupta appointed as Independent Director w.e.f 28.12.2021.

In accordance with Regulation 26 of the SEBI (LODR) Regulations, 2015, Membership / Chairpersonship of only Audit Committee and Stakeholders' Relationship Committee are considered.

Notes:

- 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;
- None of the Directors serves as a Director in more than 7 listed Companies and as Independent Director in more than 7 listed Companies;
- As on March 31, 2022, none of the Directors is holding any share in the Company;
- Details of the Directorship on the Board of other Companies and Committee positions thereof are as on the date of cessation from the Board of the Company.

(c) Meetings of the Board of Directors



Twelve (12) Board Meetings were held during the financial year ended on March 31, 2022. The details are as under:

Sl. No	Date of Board Meeting	Sl. No	Date of Board Meeting
1	10 th May, 2021	7	21 st September, 2021
2	28 th June, 2021	8	25 th October, 2021
3	16 th July, 2021	9	11 th November, 2021
4	6 th August, 2021	10	5 th January, 2022
5	13 th August, 2021	11	10 th February, 2022
6	30 th August, 2021	12	24 th March, 2022

(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 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/Common/Uploads/DMS/Familiarization%20programmes%20imparted%20to%20Ind%20Dir%20-July%202022.docx.pdf>

(c) Composition of the Committee as on March 31, 2022 and Meetings attended by each member:

Member of the Committee	Category	Position	Meeting	
			Held	Attended
Rear Admiral K C Sekhar, AVSM, VSM (Retd.)*	Independent Director	Chairman	2	2
Dr S Malla Reddy*	Independent Director	Member	2	2
Shri C B Ananthakrishnan	Director (Finance) & CFO	Member	2	2

*Note

Rear Adml K C Sekhar and Dr Malla Reddy ceased as Independent Director on the Board of the Company due to completion of their tenure on 23.07.2021.

Director (Operations) is permanent invitee to the Committee.

Company Secretary is the Secretary to the Committee.

The Committee was reconstituted on May 4, 2022 with the following members:

- Shri Deepak Abasaheb Shinde - Chairman
- Dr. Divya Gupta
- Director (Finance)

Director (Operations) is Permanent Invitees to the Committee.

Company Secretary is the Secretary to the Committee

(e) Skills/ Expertise/ Competence of the Board

HAL being a Government Company, its Directors are appointed / re-appointed by the President of India through the Administrative Ministry. The skills /expertise/ competency of the Board as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of Directors on the Board of the Company is made by the Government. As such, all the Board Members of the Company have expertise and competency as per the Industry requirement.

3. AUDIT COMMITTEE

(a) Terms of Reference: The Terms of Reference of the Audit Committee are as provided under the Companies Act (except to the extent of exemptions granted to the Government Companies) and SEBI (LODR) Regulations (except to the extent of exemptions provided by SEBI to the Company) and other applicable Guidelines to CPSEs.

(b) No. of Meetings: During the financial year ended on March 31, 2022, two (2) Audit Committee Meetings were held on June 28, 2021 and July 16, 2021.



4. NOMINATION & REMUNERATION COMMITTEE (NRC)

- (a) **Terms of Reference:** The Terms of Reference of the Nomination and Remuneration Committee are as provided under the Companies Act (except to the extent of exemptions granted to Government Companies) and SEBI (LODR) Regulations (except to the extent of exemptions provided by SEBI to the Company) and other applicable Guidelines to CPSEs.

Further, the Company, being a Government Company, the appointment, tenure and remuneration of functional directors are decided by the Government of India.

The appointment/ remuneration and other matters in respect of Key Managerial Personnel (KMP) and Senior Management Personnel are governed by the HAL Recruitment Rules and Procedures and subject to the policies and directives that may be issued by the Board of Directors and/or CMD as the case may be from time to time. Pay Scales of KMPs and Senior Management Personnel are governed by the DPE Guidelines and Presidential Directives received from the Ministry of Defence.

- (b) **No. of Meetings:** During the financial year ended on March 31, 2022, Three (3) meetings of the Committee were held on May 31 2021, June 28, 2021 and July 16, 2021

- (c) **Composition of the Committee as on March 31, 2022 and Meetings attended by each member:**

Member of the Committee	Category	Position	Meeting	
			Held	Attended
Rear Admiral K C Sekhar, AVSM, VSM (Retd)*	Independent Director	Chairman	3	3
Dr S Malla Reddy*	Independent Director	Member	3	3
Dr. Tessy Thomas	Government Director	Nominee Member	3	3

*Note

Rear Adml K C Sekhar and Dr Malla Reddy ceased as Independent Director on the Board of the Company due to completion of their tenure on 23.07.2021.

Director (HR) and Director (Finance) & CFO are permanent invitees to the Committee.

Company Secretary is the Secretary to the Committee.

The Committee was reconstituted on May 4, 2022 with the following members:

- Shri Deepak Abasaheb Shinde – Chairman
- Dr. Divya Gupta
- Dr. Tessy Thomas

Director (HR) and Director (Finance) & CFO are permanent Invitees to the Committee.

Company Secretary is the Secretary to the Committee

5. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

- (a) **Terms of Reference:** The main Terms of Reference of the Committee are as under:

- (i) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.



(iii) To review transfer, transmissions, dematerialization, re-materialization, splitting, consolidation etc. of Equity Shares and other securities issued by our Company, as approved by the Committee constituted for the purpose and report the same to the Board of Directors in its subsequent meeting.

(b) No. of Meetings: During the financial year ended on March 31, 2022, One (1) meeting of the Committee was held on March 24, 2022.

(c) Composition of the Committee as on March 31, 2022 and Meetings attended by each member:

Member of the Committee	Category	Position	Meeting	
			Held	Attended
Dr. S Malla Reddy*	Independent Director	Chairman	NA	NA
Dr Divya Gupta*	Independent Director	Chairperson	1	1
Shri C.B. Ananthkrishnan	Director (Finance) & CFO	Member	1	1
Shri Alok Verma	Director (HR)	Member	1	1

*Note

- Dr Malla Reddy ceased as Independent Director on the Board of the Company due to completion of his tenure on 23.07.2021.
- Dr Divya Gupta appointed as Independent Director w.e.f 28.12.2021 and appointed as Chairperson of the Committee w.e.f 10.02.2022.

Company Secretary is the Secretary of the Committee.

(d) Name and Designation of Compliance Officer

Shri G.V. Sessa Reddy,
Company Secretary & Compliance Officer
Hindustan Aeronautics Limited
15/1, Cubbon Road, Bengaluru – 560 001. Karnataka
Phone: (080) 2232 0001, Fax: (080) 2232 0758
Email: investors@hal-india.co.in

(e) Number of shareholders' complaints received upto March 31, 2022: 195

(f) Number of shareholders' complaints resolved upto March 31, 2022: 195

(g) Number of pending complaints as on March 31, 2022: Nil

6. CSR & SUSTAINABLE DEVELOPMENT COMMITTEE (CSR & SD)

(a) Terms of Reference: The Terms of Reference of the CSR & Sustainable Development Committee are as provided under the Companies Act and Companies (CSR Policy) Amendment Rules, 2021 and other applicable guidelines to CPSEs. The Committee formulates and recommend to the Board the CSR Policy, annual action plan, modalities of the utilisation of funds, implementation schedule of CSR projects / programmes and monitoring of CSR and Sustainable Development activities in the Company.

(b) No. of Meetings: During the financial year ended on March 31, 2022, Three (3) meetings of the Committee were held on April 19, 2021, May 7, 2021 and March 24, 2022.



(c) Composition of the Committee as on March 31, 2022 and Meetings attended by each member:

Member of the Committee	Category	Position	Meeting	
			Held	Attended
Rear Admiral K C Sekhar, AVSM, VSM (Retd.)*	Independent Director	Chairman	2	2
Dr Divya Gupta*	Independent Director	Chairperson	1	1
Shri R Madhavan*	CMD and Addl Charge Director (Operations)	Member	1	0
Shri C.B. Ananthkrishnan	Director (Finance) & CFO	Member	3	3
Shri M S Velpari*	Director (Operations)	Member	2	2
Shri Alok Verma	Director (HR)	Member	3	3

*Note

- Rear Admiral K C Sekhar ceased as Independent Director on the Board of the Company due to completion of his tenure on 23.07.2021.
- Dr Divya Gupta appointed as Independent Director w.e.f 28.12.2021 and appointed as Chairperson of the Committee w.e.f 10.02.2022
- Shri R Madhavan, CMD has entrusted additional charge of the post of Director (Operations) for a period of three months with effect from 01.03.2022 or till the post of Director (Operations) is vacant whichever is earlier.
- Shri M S Velpari ceased as Director (Operations) on the Board of the Company due to his superannuation on 28.02.2022.

All CEOs of the Complexes, General Manager (Finance) and Head of Corporate CSR are permanent invitees to the Committee.

Company Secretary is the Secretary of the Committee

7. RISK MANAGEMENT COMMITTEE

(a) Terms of Reference: The Risk Management Committee shall annually review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company. The Committee shall review and assess the adequacy of the Risk Management Policy and recommend changes to the Board for approval.

(b) No. of Meetings: During the financial year ended on March 31, 2022, One (1) meeting of the Committee was held on 24th March, 2022.

(c) Composition of the Committee as on March 31, 2022 and Meetings attended by each member:

Member of the Committee	Category	Position	Meeting	
			Held	Attended
Rear Admiral K C Sekhar, AVSM, VSM (Retd.)*	Independent Director	Chairman	NA	NA
Dr Divya Gupta*	Independent Director	Chairperson	1	1
Shri R Madhavan*	CMD and Addl Charge Director (Operations)	Member	1	0
Shri Arup Chatterjee	Director (Engineering and R&D)	Member	1	1
Shri C.B. Ananthkrishnan	Director (Finance) & CFO	Member	1	1
Shri M S Velpari*	Director (Operations)	Member	NA	NA
Shri Alok Verma	Director (Human Resources)	Member	1	1

*Note

- Rear Admiral K C Sekhar ceased as Independent Director on the Board of the Company due to completion of their tenure on 23.07.2021.



- Dr Divya Gupta appointed as Independent Director w.e.f 28.12.2021 and appointed as Chairperson of the Committee w.e.f 10.02.2022
- Shri M S Velpari ceased as Director on the Board of the Company due to his superannuation on 28.02.2022.
- Shri R Madhavan, CMD has entrusted additional charge of the post of Director (Operations) for a period of three months with effect from 01.03.2022 or till the post of Director (Operations) is vacant whichever is earlier.

All CEOs of the Complexes and GM (CS & QA) (Corporate Office), are permanent invitees to the Committee.

Company Secretary is the Secretary of the Committee.

8. OTHER COMMITTEES OF THE BOARD

Apart from the statutory committees, the Board has constituted the following non-statutory Committees and power has been delegated for smooth operation of the Company:

HR Committee, Management Committee, Technology & Design Policy Committee, R & D Sub Committee and Procurement Committee.

9. REMUNERATION OF DIRECTORS

Your Company being a Government Company, the remuneration, benefits and Performance Related Pay (PRP) of Functional Directors are as per extant DPE Guidelines. Ministry of Corporate Affairs (MCA) has exempted Government Companies from formulating policy relating to remuneration of Directors required under Section 178 of the Companies Act.

Part-time Official Directors (Government Nominee Directors) are not entitled to any remuneration /sitting fees as per DPE Guidelines.

The Part-Time Non-Official Directors (Independent Directors) are paid a sitting fee of ₹30,000/- per meeting of the Board and ₹25,000/- per Committee Meeting, as approved by the Board within the ceiling fixed under the Companies Act and as per the guidelines issued by the Government of India.

The details of remuneration paid to Functional Directors during the financial year 2021-22 were as follows:

Sl. No	Name / Designation of Directors	Salary and Perquisites as per Section 17(1) & (2) of the Income Tax Act, 1961	Retirement & other benefits	(In ₹) Total
1	Shri R. Madhavan	68,07,945	-	68,07,945
2	Shri Arup Chatterjee	60,53,605	-	60,53,605
3	Shri C.B. Ananthakrishnan	60,28,313	-	60,28,313
4	Shri M S Velpari	80,64,706	23,00,000	1,03,64,706
5	Shri Alok Verma	51,93,029	-	51,93,029

During the year, sitting fee paid to the Part-Time Non-Official Directors (Independent Directors) for attending the meetings of the Board and Committees were as follows:-

Sl. No	Name of Independent Director	Board Meetings	Committee Meetings	(In ₹) Total Sitting Fees
1	Dr S. Malla Reddy*	90,000	1,50,000	2,40,000
2	Rear Admiral K.C. Sekhar, AVSM, VSM (Retd.)*	90,000	2,00,000	2,90,000
3	Dr Divya Gupta#	90,000	75,000	1,65,000

*Ceased as Independent Director w.e.f 23.07.2021

#Dr Divya Gupta appointed as Independent Director w.e.f 28.12.2021

10. INDEPENDENT DIRECTORS' MEETING

During the year, One (1) Meeting of Independent Directors was held on July 6, 2021.

11. CONFIRMATION ON INDEPENDENCE OF THE INDEPENDENT DIRECTORS

As per the Companies Act, 2013, Independent Directors have submitted declaration of independence to the Board and the Board hereby confirms that all Independent Directors fulfil the conditions specified in the Companies Act and SEBI (LODR) Regulations, 2015 and are independent of the management.

12. CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT (CODE OF CONDUCT)

The Company is committed to conduct its business in accordance with the highest standards of business ethics and complying with applicable Laws, Rules and Regulations. A copy of the Code of Conduct 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 is appended to this report.

13. 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.

The Policy is framed to ensure that the insiders do not derive any benefit or assist others to derive any benefit from access to and possession of price sensitive information about the Company which is not in the public domain.

14. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015 the Compliance Certificate issued by the CEO and CFO on the financial statements and internal controls relating to financial reporting for the year 2021-22 was submitted to the Board at its 455th meeting held on 13th May, 2022 and is attached to this Report.

15. SHAREHOLDING PATTERN AS ON MARCH 31, 2022

Sl. No.	Category	Number of shareholders	Number of shares held	% of total holding
1	President of India	1	25,12,92,407	75.15
2	Qualified Institutional Buyer	26	2,95,66,918	8.84
3	Mutual Funds	82	2,61,71,905	7.83
4	Foreign Portfolio - Corp	229	1,46,08,619	4.37
5	Resident Individuals	209886	92,45,967	2.77
6	Bodies Corporates	592	10,48,856	0.31
7	Insurance Companies	2	9,99,662	0.30
8	H U F	5225	4,05,223	0.12
9	Clearing Members	199	3,96,616	0.12
10	Non Resident Indians	2357	3,67,617	0.11
11	Non Resident Indian Non Repatriable	1106	1,19,799	0.04
12	Alternative Investment Fund	4	1,16,540	0.03
13	Employees	1221	41,489	0.01
14	Trusts	7	5,882	0.00
	Total	220937	33,43,87,500	100.00



15.1 Top 10 Shareholders as on March 31, 2022 (Based on PAN)

Sl. No	Name	Number of shares held	% of total holding
1	President of India	25,12,92,407	75.15
2	Life Insurance Corporation Of India	2,88,58,712	8.63
3	HDFC Large and Mid Cap Fund	1,50,40,637	4.50
4	Nippon Life India Trustee Ltd	31,06,353	0.93
5	ICICI Prudential Manufacturing Fund	19,45,842	0.58
6	Aditya Birla Sun Life Trustee Private Limited	19,42,209	0.58
7	Stichting Depositary Apg Emerging Markets Equity	15,41,766	0.46
8	Mirae Asset Midcap Fund	8,31,088	0.25
9	Tata Mutual Fund- Tata Equity P/E Fund	7,57,000	0.23
10	Kotak Equity Arbitrage Fund	7,45,267	0.22

15.2 Distribution of Shareholding by Size as on March 31, 2022

Category	Number of Shareholders	% of Shareholders	Total Number of Shares	% of Shareholding
1 - 5000	220535	99.82	87,79,318	2.63
5001 - 10000	113	0.05	8,25,057	0.25
10001 - 20000	79	0.04	11,82,203	0.35
20001 - 30000	32	0.01	7,78,947	0.23
30001 - 40000	17	0.01	5,81,334	0.17
40001 - 50000	19	0.01	8,52,080	0.25
50001 - 100000	62	0.03	43,40,612	1.30
100001 and above	80	0.04	31,70,47,949	94.81
TOTAL	2,20,937	100.00	33,43,87,500	100.00

16. GENERAL BODY MEETINGS

(a) Details of the last three Annual General Meetings are as follows:

Meeting No.	Financial Year	Venue	Date & Time
56 th	2018-19	Dr. V M Ghatge Convention Centre, HAL, Next to HAL Hertiagte Centre and Aerospace Museum, Old Airport Road, Marathahalli Post, Bengaluru-560037	September 18, 2019 at 1600 Hrs
57 th	2019-20	Through Video Conferencing (VC) from Hindustan Aeronautics Limited Corporate Office, 15/1, Cubbon Road, Bengaluru-560001	September 30, 2020 at 1500 Hrs
58 th	2020-21	Through Video Conferencing (VC) from Hindustan Aeronautics Limited Corporate Office, 15/1, Cubbon Road, Bengaluru-560001	September 30, 2021 at 1500 Hrs



(b) Special Resolutions

- i. During the 56th Annual General Meeting, two special resolutions were put up w.r.t Alteration of the Articles of Association and Re-appointment of Ms. Dipali Khanna, Independent Women Director of the Company.
 - ii. No Special Resolution was put up during 57th and 58th Annual General Meeting.
- (c) No special resolution was passed last year through postal ballot and no special resolution is proposed to be conducted through postal ballot.

17. 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 published in one leading English newspaper having wide circulation across the Country and in one Kannada newspaper having wide circulation across the region. The results are also made available on the Company website.
- (b) **News Release, Presentation etc.:** The official news releases, detailed presentations made to media, institutional investors, 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 dedicated section for Investors where information for shareholders is made available. The Annual Report and Shareholding Pattern, Corporate Governance Report, details of unclaimed dividend and other communiqué of the Company are also available on the website in a user-friendly manner.
- (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 including Information for the Shareholders and other important information is circulated through electronic mode to the members and others entitled thereto, as per MCA Circular No.20/2020 dated May 5, 2020 and General Circular No. 02/2021 Dated January 13, 2021, General Circular No. 02/2022 dated May 5, 2022 and SEBI Circular dated May 13, 2022.

18. SHAREHOLDERS' INFORMATION

(a) Annual General Meeting

The 59th Annual General Meeting of the Company for the year 2021-22 will be held through video conferencing as per the MCA General Circular No. 02/2021 dated January 13, 2021, SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/ 2021/11 dated January 15, 2021 and MCA General Circular No. 02/2022 dated May 5, 2022 as per the following details:

Date	Monday, August 29, 2022
Time	3.00 P.M. (IST)

(b) Financial Calendar

The financial calendar to approve quarterly/ annual audited financial results for the year 2022-23 is as under:

Approval of quarterly/ annual audited financial results	Tentative date of the Meeting of the Board
June 30, 2022	On or before August 13, 2022
September 30, 2022	On or before November 14, 2022
December 31, 2022	On or before February 14, 2023
March 31, 2023	On or before May 30, 2023

(c) Dividend Payment date

During the year, your Company has declared and paid 1st interim dividend of ₹14 per share of ₹10 each on December 6, 2021 and 2nd interim dividend of ₹26 per share of ₹10 each on March 7, 2022.



(d) Listing on Stock Exchanges

The equity shares of the Company are listed on the following stock exchanges:

Name and Address	Stock Code
BSE Ltd. P.J.Towers, Dalal Street, Fort, Mumbai-400001	541154
National Stock Exchange of India Ltd. (NSE) Exchange Plaza,C-1, G Block, Bandra- Kurla Complex, Bandra(E), Mumbai-400051	HAL

The annual listing fees for the year 2022-23, as applicable, has been paid to the stock exchanges.

(e) Custody/ Issuer charges to Depositories

Your Company has paid custody/ issuer charges for the year 2021-22 to the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

(f) Registrar to an issue and share transfer agent

KFin Technologies Ltd.
(Formerly known as KFin Technologies Pvt Ltd.
& Karvy Fintech 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) & CFO, 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

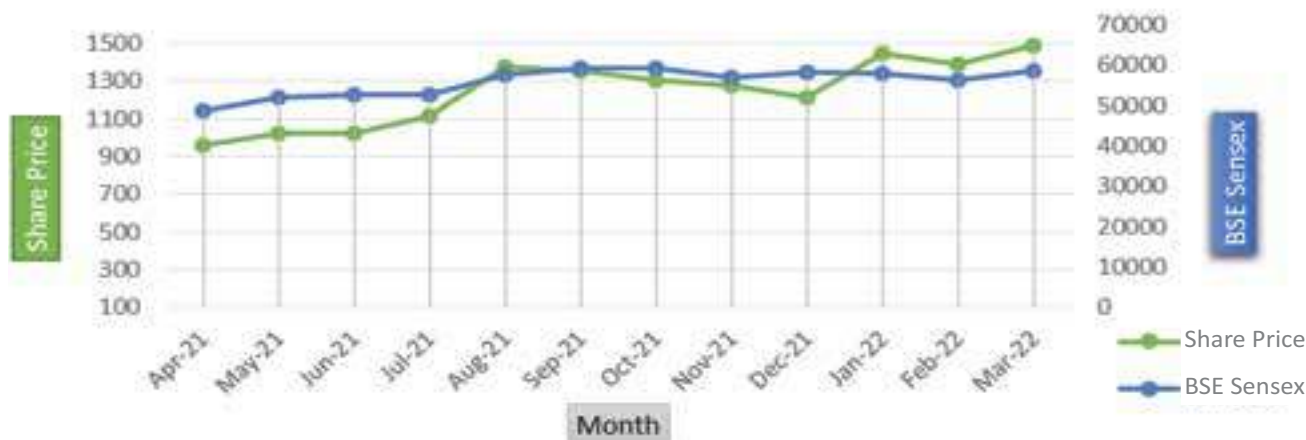
As on March 31, 2022, 100 per cent of the equity shares of the Company are held in dematerialised form with NSDL and CDSL. The details are as under:

Sl. No.	Description	No. of Shareholders	No of Shares	% of Equity
1	NSDL	95,948	32,91,92,319	98.45
2	CDSL	1,24,985	51,94,802	1.55
3.	Physical	4	379	0
Total		2,20,937	33,43,87,500	100.00



(i) Performance in comparison to broad based indices

Share Price / BSE Sensex



(j) Commodity price risk or foreign exchange risk and hedging activities

Relevant information in this regard is given in Clause 33(a) of Note 49 to the Financial Statements provided in this Annual Report.

(k) Stock market information

Company's share price on BSE and NSE for each month during the year 2021-22 was as follows:

Month	BSE Limited		National Stock Exchange of India Ltd	
	High (₹ per share)	Low (₹ per share)	High (₹ per share)	Low (₹ per share)
April, 2021	1,051.30	925.00	1,052.00	929.00
May, 2021	1,046.00	942.50	1,046.00	942.00
June, 2021	1,089.20	995.00	1,089.00	991.20
July, 2021	1,165.00	1,010.80	1,025.50	1,010.00
August, 2021	1,456.15	1,057.90	1,457.00	1,059.10
September, 2021	1,485.45	1,320.00	1,486.95	1,316.00
October, 2021	1,568.45	1,232.20	1,566.00	1,233.90
November, 2021	1,455.55	1,235.35	1,456.00	1,235.15
December, 2021	1,327.60	1,181.25	1,328.00	1,181.20
January, 2022	1,470.85	1,210.00	1,471.00	1,212.05
February, 2022	1,475.00	1,248.65	1,474.80	1,240.00
March, 2022	1,495.70	1,304.55	1,496.30	1,304.55

(l) 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, Fax: (080) 2232 0758
Email: cosec@hal-india.co.in
website: www.hal-india.co.in



(ii) Production Divisions

Aircraft Division, Bengaluru, Karnataka	Airport Service Centre Bengaluru, Karnataka	Sukhoi Engine Division, Koraput, Odisha
LCA Tejas Division Bengaluru, Karnataka	Helicopter Division, Bengaluru, Karnataka	Transport Aircraft Division, Kanpur, Uttar Pradesh
Engine Division, Bengaluru, Karnataka	Helicopter MRO Division, Bengaluru, Karnataka	Accessories Division, Lucknow, Uttar Pradesh
Overhaul Division, Bengaluru, Karnataka	Aerospace Composites Division, Bengaluru, Karnataka	Avionics Division, Korwa, Uttar Pradesh
Aerospace Division, Bengaluru, Karnataka	Aircraft Manufacturing Division, Nashik, Maharashtra	Avionics Division, Hyderabad, Telangana Strategic Electronic Factory, Branch Factory of Avionics Division Hyderabad, Kasargod, Kerala
Foundry and Forge Division, Bengaluru, Karnataka	Aircraft Overhaul Division, Nashik, Maharashtra	Barrackpore Division, Barrackpore, West Bengal
Industrial & Marine Gas Turbine Division, Bengaluru, Karnataka	Engine Division, Koraput, Odisha	

(iii) R & D Centres

Aircraft Research and Design Centre (ARDC), Bengaluru, Karnataka	Aircraft Upgrade R&D Centre (AURDC), Nashik, Maharashtra
Rotary Wing Research and Design Centre (RWR&DC), Bengaluru, Karnataka	Transport Aircraft R&D Centre, (TARDC) Kanpur, Uttar Pradesh
Aero Engine R&D Centre (AERDC), Bengaluru, Karnataka	Aerospace Systems & Equipment R&D Centre (ASERDC), Lucknow, Uttar Pradesh
Mission & Combat Systems R&D Centre (MCSRDC), Bengaluru, Karnataka	Strategic Electronics R&D Centre (SLRDC), Hyderabad, Telangana
Central Materials & Processes Laboratory & NDT Centre, Bengaluru, Karnataka	Aerospace Systems & Equipment R&D Centre (ASERDC), Korwa Uttar Pradesh

19. Disclosure

(a) Material Contracts/ Related Party Transactions

The Company has not entered into any material financial or commercial transactions with the Directors or the Management or their relatives or the companies including JVCs & Subsidiary and firms, etc., in which they are either directly or through their relatives interested as Directors and/ or Partners. The Company has obtained declarations from all concerned in this regard, which were noted by the Board. A comprehensive policy on Related Party Transactions (RPT) has been approved by the Board as per the SEBI (LODR) Regulations and Companies Act.





The details of transactions with related parties are disclosed in Clause 45A of Note No. 49 of the Notes to the Financial Statements for the year ended 31st March, 2022. The Company has disclosed details of transactions with related parties as per the disclosure requirements of IndAS-24 on Related Party disclosures. The policy on related party transactions of the Company may be accessed at <https://hal-india.co.in/Common/Uploads/DMS/Policy%20on%20Related%20Party%20Transactions.pdf>

(b) Details of non-compliances on matters related to capital markets, during the last three years

The composition of Board of Directors under Regulation 17(1) of the SEBI (LODR) Regulations, 2015 does not comply the requirements of provisions of the Regulations due to vacancy of 6 Nos. of Independent Directors. Also, there was no properly constituted Audit Committee and Nomination & Remuneration Committee due to vacancy of required number of Independent Directors on the Board of the Company,

Notices have been received from Stock Exchanges from the quarter ended December, 2020 onwards for the Non-Compliance w.r.t. Composition of Board, Quorum for Board Meeting and Composition of various Committees due to non-appointment of requisite number of Independent Directors on the Board of the Company. However, the Company has filed application seeking waiver of the fine levied by the Exchanges on the ground that appointment of Independent Directors are being made by the concerned Administrative Ministry of the Government of India.

(c) Vigil Mechanism / Whistle-blower Policy

In terms of Regulation 22 of SEBI (LODR) Regulations, the Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

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 in the organization to the notice of the competent authority for the greater interest of the organization and the Nation). It has also ensured a very robust mechanism within the same framework 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 SEBI (LODR) Regulations.

(e) Policy for determining material subsidiaries

A policy for determining material subsidiaries has been formulated with the approval of the Board of Directors. The same has been hosted on the website of the Company and can be accessed at the following link: https://hal-india.co.in/Common/Uploads/DMS/Material_Subsiary_Policy.pdf

As per the Policy, the Company does not have any material subsidiary.

(f) Credit Rating

During the year, Credit Analysis & Research Limited have granted your Company a credit rating of CARE AAA/Stable/ CARE A1+ for Long Term and Short Term Bank facilities including Non Fund Based Limits, amounting to ₹ 12,05,000 Lakh.

Further, ICRA Ltd. have granted your Company a credit rating of [ICRA]AAA/ICRA A1+ and outlook revised to positive from Stable for Long Term –Fund based / Cash Credit amounting to ₹ 10,00,000 Lakh and [ICRA] A1+” for Short Term Non Fund Based Limits amounting to ₹ 2,05,000 Lakh.

Similarly, during the year, ICRA Ltd. and CARE Ratings Ltd. have granted a credit rating of (ICRA) A1+ and CARE A1+ respectively for Commercial Paper.

(g) None of Directors were debarred / disqualified from being appointed or continuing as Director of the Company during the year under review, and this has been certified by the Company Secretary in practice.

(h) 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 SEBI (LODR) Regulations except the following:

- i. The Company has executive Chairman, the strength of Independent Directors on the Board should be atleast 50% of the total strength. However, the same has been reduced to less than 50%, on completion of tenure of 6 Independent Directors.
- ii. Due to vacancy of required number of Independent Directors on the Board of the Company, there was no validly constituted Audit



Committee and Nomination & Remuneration Committee.

iii. As there was no validly constituted Audit Committee, Related Party Transactions were directly approved in the Board Meetings without the presence of Independent Directors.

(i) 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	59
Tax Audit Fees	7
Other Services	87
Reimbursement of expenses	Nil

(j) Details of Unpaid Dividend as on March 31, 2022

The details of the dividend which remains unpaid as on March 31, 2022, are given below:

Financial Year in which dividend declared	Amount (In ₹)
2017-18	5,20,335.75
2018-19	6,18,492.60
2019-20	7,70,136.00
2020-21	17,86,100.00
2021-22 (Interim)	16,48,924.00
Total	53,43,988.35

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) Reconciliation of Share Capital

Reconciliation of Share Capital audit was carried out by the Secretarial Auditor of the Company on quarterly basis. The report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical and demat form.

Further, Certificate on the compliance of share transfer formalities obtained from the Secretarial Auditor were also submitted to Stock Exchanges pursuant to Regulation 40(10) of the SEBI (LODR) Regulations.

(l) 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 those 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.

(m) Audited Financial Statements of Subsidiaries

The Audited Financial Statements of subsidiaries has been uploaded on the website of the Company at <http://www.hal-india.co.in/investors/SubsidiaryCompanies>.

(n) Training of Directors

The Company undertakes training / familiarisation programmes for its Directors.

(o) 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 to Government directives, your Company has successfully introduced the online processing of applications under the RTI Act from September, 2014 onwards.

During the year, 1426 Nos. of Request for Information (RFI) applications were received & 70 Nos. were carried forward from 2020-21 under the RTI Act-2005, of which 1382 have been disposed off as of March 31, 2022.

During the year, 118 Nos. of 1st Stage appeals were received & 05 Nos. were carry forward from 2020-21, out of which 80 were disposed off as on March 31, 2022.

The Hon'ble Central Information Commission, New Delhi, issued 12 Notices of hearings during the year 2021-22 and the same were attended by HAL Officials and were disposed off by the Hon'ble CIC.

(p) 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.

Your Company is committed to the resolution of public grievances in an efficient and time bound manner. General Manager (HR)-CSR & FM 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 two months period. If it is not possible to resolve the same within two months period, an interim reply is to be given. Your Company is resolving the grievances within the said time frame.

(q) Presidential Directives

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 December 31, 2021 was as under:

Category of Employees	Group – A	Group – B	Group – C	Group – D	Total
Scheduled Caste	1,396	2	3,114	1	4,513
Scheduled Tribe	482	2	1,364	0	1,848
Other Backward Classes	1,959	4	5,002	2	6,967

The representation of Persons with Disabilities and Ex-Servicemen as on December 31, 2021 was as under:

Category of Employees	Group – A	Group – B	Group – C	Group – D	Total
Persons with Disabilities	147	1	458	0	606
Ex-Servicemen	86	-	1,215	0	1,301

(r) Items of expenditure debited in Books of Accounts, which are not for the purpose of business

No items of expenditure, other than those directly related to the business or incidental thereto, those spent towards the welfare of the employees/ ex-employees or towards fulfilling the Corporate Social Responsibility of the Company, were debited in the Books of Accounts.

(s) 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 2021-22.

(t) Integrity Pact

The Company has adopted and provided for signing of Integrity Pact (IP) 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.

For and on behalf of Board of Directors
Hindustan Aeronautics Limited


(R. Madhavan)

Chairman and Managing Director

Place : Bengaluru
Date : July 15, 2022



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, 2022.



(R. Madhavan)

Chairman and Managing Director

Place: Bengaluru
Date: May 27, 2022

CEO/CFO CERTIFICATION UNDER REGULATION 17(8) OF THE SEBI (LODR) REGULATIONS, 2015 AND DPE GUIDELINE ON CORPORATE GOVERNANCE.

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 twelve months period ended March 31, 2022 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. We have come across one reportable deficiencies in the design or operation of such internal controls, and necessary corrective action has already been initiated.
4. We have indicated to the auditors:
 - 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 of which we have become aware.



(C B Ananthakrishnan)

Director (Finance) & CFO
DIN:06761339



(R. Madhavan)

Chairman and Managing Director
DIN:08209860



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, 2022.

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, 2022 except to the extent of following:

(i) Regulations 17 (1), (1) (a), (b), (2)(a), 2(10) - provisions pertaining to Board Composition

- Half of the Board is not Independent
- Half of the board is not Non-executive
- No Woman Independent Director on the Board till Ms. Divya Gupta was appointed on 28th December 2021
- The required quorum was not present in the Board meetings conducted after 23rd July 2021 till 27th December 2021, due to absence of Independent Director(s) in the Company.

After completion of tenure of Independent Directors on 23rd July, 2021 and till the appointment of Dr. Divya Gupta, Woman Independent Director on 28th December 2021, the Board Meetings were held without the presence of independent director as required under SEBI regulations; and hence we are unable to comment on the validity of the matters/transactions approved in the said Board Meetings.

(ii) Regulation 18(1), (1)(a), (b),(d), (2) (a) - Provisions pertaining to Audit Committee:

- There was no Audit Committee in the Company;

- Only two Audit Committee meetings held during the financial year under review;
- Gap between the meetings held on 26/02/2021 and 28/06/2021, was 121 days;
- After vacation of the post of Independent Director(s) by Rear Admiral K C Shekar (Retd.) and Dr. S Malla Reddy, w.e.f. 24/07/2021, there was no properly constituted Committee.

(iii) Regulation 19(1), (2), (2)(a) & (3)(a) - Provisions pertaining to Nomination and Remuneration committee:

After vacation of the post of Independent Director(s) by Rear Admiral K C Shekar (Retd.) and Dr. S Malla Reddy, w.e.f. 24/07/2021, there was no properly constituted Committee.

(iv) Regulation 20 (2), (2A) - Provisions pertaining to Stakeholders Relationship Committee:

After vacation of the post of Independent Director(s) by Dr. S Malla Reddy, w.e.f. 24/07/2021, there was no properly constituted Committee. However, the Committee was reconstituted on 10th February, 2022 on appointment of Dr. Divya Gupta, as Woman Independent Director in the Company.

(v) Regulation 21 (2), (3), (3A), (3B), (3C) - Provisions pertaining to Risk Management Committee:

- After vacation of the post of Independent Director(s) by Rear Admiral K C Shekar (Retd.) and Dr. S Malla Reddy, w.e.f. 24/07/2021, there was no properly constituted Committee. However, the Committee was reconstituted on 10th February, 2022 on appointment of Dr. Divya Gupta, as Woman Independent Director in the Company.
- During the year under review, Risk management committee has met only once.

(vi) Regulation 23 (2) - Provisions pertaining to related party transactions:

Related Party Transactions were directly approved in the Board Meetings without the presence of independent director as required under SEBI regulations.

(vii) Non constitution of CSR Committee as per Section 135 of the Companies Act:

After vacation of the post of Independent Director(s) by Rear Admiral K C Shekar (Retd.), w.e.f. 24/07/2021, there was no properly constituted Committee. However, the



Committee was reconstituted on 10th February, 2022 on appointment of Dr. Divya Gupta, as Woman Independent Director in the Company.

- (viii) Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) have imposed penalties on the company of Rs. 28.85 Lakhs each, for non-compliances under the above regulations.

Management Response

On the above referred non-compliances, it was explained by the Company that, on completion of tenure by all the seven Independent Directors by 23rd July, 2021, the Company did not have any Independent Director on its Board till 27th December, 2021. Since, the appointment of Independent Directors in the Government Companies has to be made by the concerned Administrative Department of the Government of India, multiple requests/ reminders were made/sent by the Company to Ministry of Defence (MoD) for filling the vacant posts of Independent Directors in the Company, within the stipulated time, referring penal provisions both under the Companies Act, 2013 and SEBI Regulations. However, even after continuous follow up on the matter with MoD and DPE, during the year under review, only one Woman Independent Director was appointed in the Company by the Government on 28th December, 2021. After her appointment, requirement of presence of atleast one independent director in the meetings of the Board as part of the quorum was regularized. Apart from that, composition of Stakeholders' Relationship Committee, Risk Management Committee and CSR Committee were also regularized by reconstitution of the Committees on 10th February, 2022.

It was further explained by the Company that, later, on appointment of Shri Deepak Abasaheb Shinde as Independent Director by the Government on 28th April, 2022, Company has regularized the composition of Audit Committee and Nomination & Remuneration Committee w.e.f. 4th May, 2022. However, composition of the Board with respect to independent directors is yet to be complied by the Company due to non-filling of five independent director posts in the Company by the Government.

It was further explained that, since the appointment of Independent Directors in the Government Companies has to be made by the concerned Administrative Department of the Government of India, application for waiver of fines on such matter where Company has no control over such appointments, has already been submitted to NSE and/or BSE on 17th February,

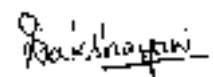
2021, 24th May, 2021, 23rd August, 2021, 23rd November, 2021 & 22nd February, 2022 respectively under Sl. No. 3(a) of the Policy of exemption of fines issued by SEBI. However, in response, NSE vide email dated 8th December, 2021 and 4th May, 2022, advised the Company to file such applications only after resuming the compliances in the Company.

It was further explained that, since the non-compliance is arising out of inability of the Company to comply on account of pending approval from the Government / Ministry regarding appointment at Board level, the Company is confident to get waiver of fine under Sl. No. 3 of the Policy for exemption of fines levied as per the provisions of the SEBI SOP Circular.

With regard to validity of the matters / transactions approved in the board meetings conducted without presence of atleast one independent director, it was explained that, since the requirement of quorum has been complied by the Company as per the provisions of the Companies Act, 2013, which does not mandate the presence of independent director in the board meeting for the purpose of counting quorum, no notice was received from BSE and NSE on validity of the transactions approved in such board meetings except imposing fine for the said non-compliance.

With regard to conduct of Audit Committee meeting beyond the prescribed gap of 120 days, it was explained that, as the working of the Company was severely affected due to long Covid-19 Pandemic lockdown, the meeting could be conducted with a marginal delay of one day keeping in view the extension granted by MCA vide its circular date 3rd May, 2021, for holding such meetings from 120 days to 180 days. The matter was suitably explained to the Stock Exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.



Dakshayani P
Partner
DPSP and Associates
Company Secretaries

FCS No.: 8993

C P No.: 8411

UDIN: F008993D000298271

Place: Bangalore
Date: 10/05/2022

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	2021-22
10. Name of the Stock Exchange(s) where shares are listed	1. BSE Ltd (BSE) 2. National Stock Exchange of India Ltd (NSE)
11. Paid-up Capital	Rs.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 G V Sessa Reddy Executive Director (Company Secretary) 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

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacture of Aircraft, Helicopters and its Engines,	31
2.	Service	Overhaul of Aircraft, Helicopters and its Engines	64



15. Products/ Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of Aircraft and Helicopters	30301,30302 & 30305	31
2	Repair and Maintenance of Aircraft, Helicopters and Engines	3315	64

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	30 (20 Production & 10 R&D)	5	35
International	0	2	2

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Our product reach cover the entire Indian Territory through our Defence Forces.
International (No. of Countries)	Around 20 Countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Approx. 1% of the total turnover

c. A brief on types of customers

HAL 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

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	24375	22218	91.15	2157	8.85
2.	Other than Permanent (E)	1037	990	95.47	47	4.53
3.	Total employees (D + E)	25412	23208	91.32	2204	8.67
WORKERS						
4.	Permanent (F)	16695	15309	91.70	1386	8.30
5.	Other than Permanent (G)	934	900	96.36	34	3.64
6.	Total workers (F + G)	17629	16209	91.94	1420	8.05

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	585	534	91.28	51	8.72
2.	Other than Permanent (E)	15	14	93.33	1	6.67
3.	Total differently abled employees (D + E)	600	548	91.33	52	8.67
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	437	395	90.39	42	9.61
5.	Other than permanent (G)	15	14	93.33	1	6.67
6.	Total differently abled workers (F + G)	452	409	90.49	43	9.51

19. Participation / Inclusion / Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	2	29
Key Management Personnel	5	Nil	N.A.

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.18	0.06	0.24	0.13	0.09	0.22	0.22	0.09	0.31
Permanent Workers	0.01	0.04	0.05	0.04	0.06	0.1	0.05	0.08	0.13

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. 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 Russian Aviation Ltd.	Joint Venture	48	NO
3	Safran HAL Aircraft Engines Pvt. Ltd.	Joint Venture	50	NO
4	Samtel HAL Display System Ltd.	Joint Venture	40	NO
5	HAL-Edgewood Technologies Pvt. Ltd.	Joint Venture	50	NO
6	HALBIT Avionics Pvt. Ltd.	Joint Venture	50	NO
7	Infotech HAL Ltd.	Joint Venture	50	NO
8	HATSOFF Helicopter Training Pvt. Ltd.	Joint Venture	50	NO
9	TATA-HAL Technologies Ltd.	Joint Venture	50	NO
10	International Aerospace Manufacturing Pvt. Ltd.	Joint Venture	50	NO



S. 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)
11	Multi-Role Transport Aircraft Ltd.	Joint Venture	50	NO
12	Aerospace & Aviation Sector Skill Council (AASSC)	Joint Venture	50	NO
13	Helicopter Engines MRO Private Ltd.	Joint Venture	50	NO
14	Defence Innovation Organisation	Joint Venture	50	NO
15	Indo Russian Helicopters Limited	Subsidiary	50.5	NO
16	Naini Aerospace Limited	Subsidiary	100	NO

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) : YES

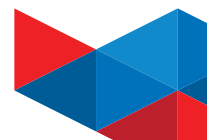
(ii) Turnover (in ₹) 24,36,166 Lakh

(iii) Net worth (in ₹) 19,26,400 Lakh

VII. Transparency and Disclosures Compliances

23. 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)	FY 2021-22			FY 2020-21		
		(If Yes, then provide web-link for grievance redress policy)	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
Communities	Centralised Public Grievance Redress and Monitoring System (CPGRAMS) under the Ministry of Personnel, Public Grievances & Pensions, the Department of Administrative Reforms & Public Grievances	221	Nil	Nil	162	Nil	Nil
Investors (other than shareholders)	NA	NIL	NIL	--	NIL	NIL	--
Shareholders	Yes*	195	0	--	237	20	--



Employees and workers	Yes (Service related matters)	Nil	Nil	-	Nil	Nil	-
Customers	Yes**	142#	-	-	126#	-	-
Value Chain Partners	Yes	17	NIL	-	17	NIL	-
Other (please specify)	--	--	--	--	--	--	--

* The Company has Stakeholder Relationship Committee to redress the complaints received from the shareholders as per SEBI Listing Regulations. Hence, there is no web link

**HAL deals with Defence Customers and therefore all the communication are through confidential mode as per the requirement of Customer. So there is no web link.

The issues have been deliberated in structured meeting with Customers and have been attended.

24. 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

S. 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	Environmental Footprint -Water management	Risk	Water scarcity can impair the company's operations and disrupt business.	Employee education on saving water, more efficient use of water in campuses, Rain water harvesting, recycling of waste water.	Negative
2	Environmental Footprint -Waste management	Risk	Inadvertent non-compliance to existing and emerging regulations around recycling can result in economic penalties and reputation damage.	Reduction in waste generation, maximization of recycling and reuse.	Negative
3	Social Responsibility – Alignment with Local Communities	Risk	The business must be rooted in community and be aligned with the community's larger interests. Any adversarial relationship can hurt the company's ability to create longer term value.	Fostering local communities, job creation, skill development, supporting local relief efforts where required in times of crisis and paying taxes	Negative
		Opportunity	As per CSR Policy, the Company undertakes all CSR activities, within 50 Km radius from the Divisions / Complexes where it operates.		Positive



S. 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)
4	Corporate Governance – Board composition	Risk	HAL being a CPSE, the appointment of Directors are made by Govt. of India 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.		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 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/ Codes and Policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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.	<ul style="list-style-type: none"> HAL follows SEBI regulations and Guidelines on Corporate Governance for CPSEs issued by DPE ensuring ethical, transparent and accountable business conduct among others. HAL Divisions are certified to ISO 14001-2015 Environment Management System and ISO 45001-2018 OHSMS (Occupational Health and Safety Monitoring System) and follows required operational standards accordingly. HAL products are CEMILAC, DGAQA, DGCA certified as applicable ensuring safe products to our customers. 								



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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	Director (HR)									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 & constitution of its Committee under SEBI (LODR) Regulations, due to non-appointment of Independent Directors. Since, the Company is a CPSE, the appointment of directors has to be made by the concerned Administrative Ministry. Hence, the matter has been referred to the MoD for filling up the post and the same is pending with MoD/ DPE.									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.

No

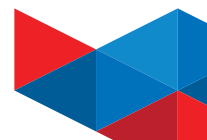
12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

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)									
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)									

As the Company has formulated policies based on all the nine Principles, hence, Not Applicable.

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	1	Orientation Programme for Capacity building of newly appointed Non Official (Independent) Director of CPSE's in association with DPE & ICAI	14%
Key Managerial Personnel	Nil	--	--
Employees other than BoD and KMPs	132	(i) Training / Awareness Programs pertaining to wellness of the employees, CDA, safety, environment & sustainability, etc.	28.6%
Workers		(ii) These Training / Awareness Programs will enable the employees to acquire the knowledge / skills for enhancement of their capabilities.	29.5%

Note: % of Persons (Employees and Workers) include those who have attended the training and awareness programs more than once.

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	NIL	-	-	-
	Settlement	NIL	-	-	-
	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	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/Common/Uploads/DMS/Whistle%20Blower%20Policy.pdf>

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 2021-22	FY 2020-21
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

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 as there is no fines / penalties / action taken by any regulators/ law enforcement authority during the financial year.



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 2021-22	FY 2020-21	Details of improvements in environmental and social impacts
R&D	Nil	₹Nil	<ul style="list-style-type: none"> No specific input with respect to products as HAL products are for use in strategic/national security applications and are developed and certified according to customer specifications.
CAPEX	0.72 % (₹ 1069 Lakhs)	0.07 % (₹ 88.84 Lakhs)	<ul style="list-style-type: none"> Improvement in processes are taken care in-line with ISO 14001 EMS standards and HAL Divisions are certified accordingly. HAL has made investments towards installation of energy efficient Temperature & Humidity Chamber and Thermal Shock Chamber with improved GHG(Green House Gas) value , Sand Washing Facility to reclaim sand from burnt sand, Effluent Treatment plant with Zero Liquid Discharge (ZLD) System, Fume Extractors, chillers / Air Conditioners, LED lights etc, which are helping in conservation of natural resources and environment. HAL has also adopted Eco-Friendly Painting Process as per global standard (DEF STAN 80-161/2). 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 KSPCB authorised agencies, thus helping in conservation of environment.

2. **a. Does the entity have procedures in place for sustainable sourcing?**

No.

- b. If yes, what percentage of inputs were sourced sustainably?**

61%. Though such stipulations are not there in our procurement as of now, many of our suppliers are already adopting such standard. Hence the above number.

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 products are sold they would 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.**

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 they would not come back to the Company.)



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	22218	Ref Note. (i)	21829	98.25%	NA	-	698	3.14%	NA	-	
Female	2157		1991	92.30%	87	4.03%	NA	-	21	0.97%	
Total	24375		23820	97.72%	87	4.03%	698	3.14%	21	0.97%	
Other than Permanent Employees											
Male	990	Ref. Note (ii)	808	81.62%	NA	-	0	0%	NA	-	
Female	47		26	55.32%	0	-	NA	-	Nil	0%	
Total	1037		834	80.42%	0	0%	0	0%	Nil	0%	

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	15309	Ref. Note (i)	15237	99.53%	NA	-	523	3.42%	NA	-	
Female	1386		1315	94.88%	65	4.69%	NA	-	16	1.15%	
Total	16695		16552	99.14%	65	4.69%	523	3.42%	16	1.15%	
Other than Permanent Workers											
Male	900	Ref. Note (ii)	808	89.78%	NA	-	0	0%	NA	-	
Female	34		26	76.47%	0	0%	NA	-	Nil	0%	
Total	934		834	89.29%	0	0%	0	0%	Nil	0%	

Notes (for 1 (a) & (b):

- (i) Medical needs of permanent employees / workers have been taken care by Company Industrial Health Centers (IHC) set up in the Divisions / Offices. In case of specialized treatment, employees / workers are referred to empaneled 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.

Purely voluntary basis and premium is borne by the employees.

⁵ Nos. actually availed the facilities during the year have been indicated. Day Care facility was closed during the year at most of the Divisions on account of Covid 19 pandemic. Hence, the number availed is comparatively less.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2021-22			FY 2020-21		
	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.)	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%	Y	100%	100%	Y
ESI	Nil	Nil	NA	Nil	Nil	NA
Others – please specify	-	-	-	-	-	-

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 links to the policy is <https://hal-india.co.in/Common/Uploads/DMS/Equal%20Opportunity%20Policy%20for%20PWDs.pdf>

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 / Other than Permanent Workers	<p>Yes.</p> <p>Three Stage Grievance Procedure i.r. of Workmen exists in the Company.</p> <p>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.</p> <p>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.</p>



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.
- (ii) 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.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2021-22			FY 2020-21		
	Total Employees / Workers in respective category (A)	No. of Employees / Workers respective category, who are part of Association(s) (B)	% (B/A)	Total Employees / Workers in respective category (C)	No. of Employees / Workers respective category, who are part of Association(s) (D)	% (D/C)
Total Permanent Employees	24375	23681	97.15%	25435	24686	97.06%
Male	22218	21583	97.14%	23225	22577	97.21%
Female	2157	2098	97.26%	2210	2109	95.43%
Total Permanent Workers	16695	16128	96.60%	17472	16934	96.92%
Male	15309	14779	96.54%	16061	15585	97.04%
Female	1386	1349	97.33%	1411	1349	95.61%

8. Details of training given to employees and workers:

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health & Safety Measures		On Skill upgradation		Total (D)	On Health & Safety Measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	22218	5007	22.54%	10969	49.37%	23225	1375	5.68%	7840	33.76%
Female	2157	375	17.39%	1542	71.49%	2210	313	13.95%	863	39.05%
Total	24375	5382	22.08%	12511	51.33%	25435	1688	6.39%	8703	34.22%
Workers										
Male	15309	3466	22.64%	3165	20.67%	16061	1577	9.27%	5572	34.69%
Female	1386	301	21.72%	558	40.26%	1411	272	18.82%	537	38.06%
Total	16695	3767	22.56%	3723	22.30%	17472	1849	10.01%	6109	34.96%



9. Details of performance and career development reviews of employees and worker:

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	6861	5490	80.02	8049	5411	67.23
Female	760	614	80.79	890	615	69.10
Total	7621	6104	80.09	8939	6026	67.41
Workers						
Male	15309	Not Applicable		16061	Not Applicable	
Female	1386	Not Applicable		1411	Not Applicable	
Total	16695			17472		

Notes:

- The Total Number indicated in column (A) of part-I above (i.e. Employees) refers to PARs (including Probationary, Annual & Split Reports) raised during the Year. With regard to Probationary period, 2 PARs, viz. I & II Probationary PAR are raised in respect of Officers who are on Probation.
- The Company's Policy provides for conduct of Performance Review Board for moderation of Annual PARs. The numbers indicated in column (B) refers to the total number of Annual PARs raised and the Numbers indicated in the Percentage column reflects the percentage against the total number of PARs (i.e. Annual, Probationary & Split PARs together) raised.
- Training needs captured in the PARs in respect of Grade-VII & above Officers are forwarded to HMA by Corporate Office. Similarly, the training needs indicated in the PARs of Grade-VI & below Officers are forwarded by the respective Divisions / Offices to HMA, for designing suitable Training courses.

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. Implementation of Occupation Health & Safety management System is under progress in the Divisions of HAL, wherein the following aspects are covered in the System:

- EHS Policy;
- Documents like HS Manuals, Operational Control Procedures (OCP), Work Instructions, Emergency Preparedness Plan, etc.;
- Internal Auditor Training and Audits;
- Management Review Meeting;
- LCA Tejas, Aircraft & Foundry & Forge Divisions have already implemented the ISO 45001:2018

b. What are the process used to identify Work-related Hazards & Assess Risks on a routine and non-routine basis by the Company?

The Following process are used to identify Work-related Hazards & Assess Risks on a routine and non-routine basis by the Company:

- Hazard Identification and Risk Assessment;
- Aspect and Impact Register;
- Check List;
- Safety Inspections / Observations;



(v) Interactions with Employees (daily during walk through).

c. Whether Company have process for Workers to report the work related Hazards & to remove themselves from such risks? (Yes / No)

Yes.

d. Do the Employees / Workers of the Company have access to Non-occupational medical & healthcare services? (Yes / No)

Yes.

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.67	0.27
	Workmen	0.78	0.48
Total Recordable work-related Injuries	Employees	31	11
	Workmen	17	7
No. of Fatalities	Employees	0	0
	Workmen	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	1	1
	Workmen	1	1

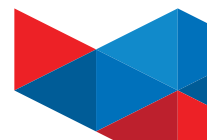
12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The following measures taken by the entity to ensure a safe and healthy work place

- Provisions of adequate Ventilations, Lighting, Machine Guards and Exhaust Systems at workplace;
- Provisions of Drinking Water, Rest Rooms and establishment of First Aid Center;
- Provisions of Personal Protective Equipment;
- Awareness created through display of signage, precautionary boards and trainings on Fire, Safety, Health & First Aid.
- Implementation of work permit systems like Height Work, Hot Work;
- Implementation of OSHMS & EMS in the Divisions;
- Periodical Health Check-up of Employees;
- Celebration of Safety Day by displaying safety banners, distribution of safety badges, taking safety pledge and displaying safety awareness posters, etc.

13. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	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	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-



14. Assessments for the year:

	% of Divisions / Offices that were assessed (by Entity or Statutory Authorities or Third Parties)
Health and safety practices	44.83%
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.

The following corrective action taken or underway to address safety-related incidents:

- SoP's were being displayed in the workplace & educated the employees;
- Organized Safety training programs to create the awareness on safety;
- Employees have been advised to wear the PPE's in the workplace;
- Work instructions & Safe Work Practices were made & readily available.
- Safety Inspection and Accident Investigations are being carried out on regular basis;
- Job Safety Analysis, Safety Inspections & Audit Techniques were used for hazard identifications;
- Safety Audit shall be conducted as recommended by Govt. Authorities.

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.

Inputs w.r.to engagement of Contract Labour and other Contracts handled by HR:

The Bills of the Contractor are cleared after ensuring remittance of statutory dues to the concerned authorities by verifying deposit / remittance Challans submitted along with 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 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	Nil	Nil	Nil	Nil
Workmen	Nil	Nil	Nil	Nil

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)

No



PRINCIPLE 4:

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

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
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, Occasionally Fortnightly	Information on Company activities
Vendors / Suppliers	No	Website, Emails HAL e-Portal	Against specific Tender Monthly, Quarterly Yearly Against specific Tender	Tender are hosted in Website. Summary report of Order Placed Nomination Procurement Plan for the interest of MSE vendors Open Tender available for Participating.
Industry bodies, Regulators	No	Email, Letters, Meeting	As and when required	Ensure 100% compliance to all local laws
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 Days	Monthly, Quarterly, Half Yearly	<ul style="list-style-type: none"> Communicate HAL performance and strategy; Share and contribute to insight into public and business concerns; Discuss HAL response to responsible business issues.

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 2021-22			FY 2020-21		
	Total (A)	No. of employees workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
Employee (Officers + Workmen)						
Permanent	24375	305	1.20%	25435	53	0.20%
Other than permanent	1037			997		
Total Employees	25412	305	1.20%	26432	53	0.20%
Workers (Workmen)						
Permanent	16695	241	1.36%	17472	16	0.09%
Other than permanent	934			994		
Total Workers	17629	241	1.36%	18466	16	0.09%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2021-22					FY 2020-21				
	Total No. (A)	Equal Minimum Wage		More than Minimum Wage		Total No. (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	24375	-	-	24375	100%	25435	-	-	25435	100%
Male	22218	-	-	22218	100%	23225	-	-	23225	100%
Female	2157	-	-	2157	100%	2210	-	-	2210	100%
Other than Permanent	1037	-	-	1037	100%	997	-	-	997	100%
Male	990	-	-	990	100%	963	-	-	963	100%
Female	47	-	-	47	100%	34	-	-	34	100%
Workers										
Permanent	16695	-	-	16695	100%	17472	-	-	17472	100%
Male	15309	-	-	15309	100%	16061	-	-	16061	100%
Female	1386	-	-	1386	100%	1411	-	-	1411	100%
Other than Permanent	934	-	-	934	100%	994	-	-	994	100%
Male	900	-	-	900	100%	960	-	-	960	100%
Female	34	-	-	34	100%	34	-	-	34	100%



3. Details of remuneration/ salary /wages, in the following format:

	Number	Male	Number	Female
		Median remuneration / salary / wages of respective category (In ₹)		Median remuneration / salary / wages of respective category (In ₹)
(a) Board of Directors (BoD)				
Functional Directors	4	60,40,959	0	NA
Govt. Nominee Director	1	Nil	1	Nil
Independent Director	0	NA	1	1,65,000
(b) Key Managerial Personnel	5	60,28,313	0	NA
(c) Employees other than BoD and KMP	23,203	14,72,521	2,204	14,65,543
(d) Workers	16,209	10,75,738	1,420	10,65,749

Note:

- Board of Directors and KMPs as on 31.03.2022 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 2021-22.
- Key Managerial Personnel includes 4 Functional Directors and Company Secretary.
- Remuneration details of Board of Directors and KMPs are as covered under Corporate Governance Report, which is part of the Annual-Report 2021-22.
- Government Nominee Directors does not receive any remuneration from the Company.
- Independent Director receives the sitting fees for attending the meeting of Board and its committees.

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)

No

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

No separate mechanism exists in the Company for Redressal of Human Rights Issues. However, there exists Grievance Redressal Procedure for resolving employee's grievances on service related matters.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	-	5	4	-
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. 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.

8. Do human rights requirements form part of your business agreements and contracts?

Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	Nil

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

PRINCIPLE 6:

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	805630 Giga Joules	799740 Giga Joules
Total fuel consumption (B)	492514 Giga Joules	477958 Giga Joules
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C)	1298144 Giga Joules	1277698 Giga Joules
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	53.29 GJ/₹Cr	56.78 GJ/₹Cr

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. No

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.

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 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	2111806	2110205
(ii) Groundwater	900832	899057
(iii) Third party water	8536352	9333431
(iv) Seawater / desalinated water	0	0
(v) Others	400	295
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	11549390	12342988
Total volume of water consumption (in kilolitres)	11549390	12342988
Water intensity per rupee of turnover (Water consumed / turnover)	474.08 KL/₹Cr	548.55 KL/₹Cr

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. - No

2) Data includes consumption of HAL Township

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. STPs and ETPs have been installed at all our production locations for treating waste water/effluent. The treated water is used for gardening and other non-potable uses.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2021-22	FY 2020-21
NOx	Metric Tonnes	33.71	58.43
SOx	Metric Tonnes	11.76	24.80
Particulate matter (PM)	Metric Tonnes	104.27	117.44
Others – (CO, Acid mist, alkali mist)	Metric Tonnes	26.96	26.60

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. No

b) The figures indicated are based on annual average emission concentrations.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	34888	33851
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	105578	105047
Total Scope 1 and Scope 2 emissions per rupee of turnover		5.77 Tons/₹Cr	6.17 Tons/₹Cr

Note: a) Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? NO

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 for FY 2020-21.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, during FY 21-22, 2.56 MW capacity solar power plants have been commissioned at our location in Hyderabad. HAL has commissioned a cumulative capacity of 48.25 MW capacity wind & solar power plants for captive consumption which has reduced the dependence on grid electricity and thereby avoiding GHG emissions. In FY21-22, around 40% of the electricity needs have been met from captive wind & solar power plants.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	77.41	80.60
E-waste (B)	22.67	50.50
Bio-medical waste (C)	32.94	26.93
Construction and demolition waste (D)	2621.15	2805.49
Battery waste (E)	26.96	31.66
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)		
i.Used oil/Coolant(in KL)	513.24	543.34
ii.Waste containing oil	6.38	6.08
iii.ETP/Paint/Magnesium sludge	41.95	38.27
iv.Spent hardening salt/grease/chemicals	4.95	27.80
v.Others	49.33	42.44
Sub-total(G)	617.00	657.88
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	451.40	379.30
ii.Non-metal scrap	50.10	48.00
iii. Mixed waste	741.00	777.19
Sub-total(H)	1242.50	1204.49
Total (A+B + C + D + E + F + G + H)	4640.63	4857.55



For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
	FY 2021-22	FY 2020-21
Category of waste (Construction and demolition Waste)		
(i) Recycled	0	0
(ii) Re-used	100	10
(iii) Other recovery operations	0	0
Total	100	10
Category of waste (Other Non-Hazardous waste)		
(i) Recycled	130.32	117.65
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	130.32	117.65
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
	FY 2021-22	FY 2020-21
Category of waste (Plastic Waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	80.10	76.51
Total	80.10	76.51
Category of waste (E-waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	10.46	47.80
Total	10.46	47.80
Category of waste (Bio-medical waste)		
(i) Incineration	0.34	0.29
(ii) Landfilling	0	0
(iii) Other disposal operations	32.60	26.66
Total	32.94	26.95
Category of waste (Construction and demolition Waste)		
(i) Incineration	0	0
(ii) Landfilling	801.15	2785.49
(iii) Other disposal operations	320.00	10.00
Total	1121.15	2795.49
Category of waste (Battery waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	23.56	30.76
Total	23.56	30.76



For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

	FY 2021-22	FY 2020-21
Category of waste (Other Hazardous waste)		
(i) Incineration	53.59	54.90
(ii) Landfilling	20.61	28.15
(iii) Other disposal operations	439.29	373.57
Total	513.49	456.62
Category of waste (Other Non-Hazardous waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	20353.38	3761.24
Total	20353.38	3761.24

Note: 1) Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2) Disposal quantities are more as certain quantity was generated in previous financial year and disposed in current financial year.

9. 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.

Divisions at different locations viz., Bangalore, Nasik, Koraput, Hyderabad, Lucknow, Kanpur, Korwa, Kasaragod and Barrackpore have taken various 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, Air Prevention and Control of Pollution Act (1981), Environment (Protection) Act, 1986, Water Act 1974 (Prevention and Control of Pollution), 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.

Solid Waste Management: Municipal Solid Waste (MSW) is generated from Townships and Factories. Segregation of MSW at source is being implemented in Townships (Wet, Dry, Garden, Sanitary and Rejects). In Factories, Wet, Dry and Garden waste are segregated. 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. At Bangalore, 1.5 Tons per day capacity bio-gas plants are installed.

Hazardous Waste Management: 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 to the public areas. The sludge generated from the STPs is converted into manure and reused.

e-Waste Management: 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 with MSTC Limited (Central PSU) for disposal through authorized Dismantlers / Recyclers / Refurbishers.

Waste Oil Management: Waste Oil produced during 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.



Other Initiatives: 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.

At Bangalore, 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.

10. 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.
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HAL does not have any operations/offices in/around ecologically sensitive areas.

11. 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
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Not Applicable

12. 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:

S. 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
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Not Applicable

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2021-22	FY 2020-21
From renewable sources		
Total electricity consumption (A)	324514 Giga Joules	321043 Giga Joules
Total fuel consumption (B)	64 Giga Joules	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	324578 Giga Joules	321043 Giga Joules



Parameter	FY 2021-22	FY 2020-21
From non-renewable sources		
Total electricity consumption (D)	481116 Giga Joules	478696 Giga Joules
Total fuel consumption (E)	492450 Giga Joules	477958 Giga Joules
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	973566 Giga Joules	956654 Giga Joules

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: No.

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 four (4) 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 (EPCCI)	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		

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
NIL					



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)
NIL						

3. Describe the mechanisms to receive and redress grievances of the community.

Complain can be received through Public Grievance Portal (PG Portal).

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/ small producers	43.96%	31.74%
Sourced directly from within the district and neighbouring districts	NA	NA

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:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Odisha	Koraput	₹1430.52 Lakhs

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No) Yes

- (b) From which marginalized / vulnerable groups do you procure?

Social Category (SC/ST) and Companies owned by Women.

- (c) What percentage of total procurement (by value) does it constitute?

% Procurement Social Category (SC/ST) Entrepreneurs: For year 20-21: 0.50%, Year 21-22: 0.48%

% Procurement from Women Entrepreneurs : For year 20-21: 1.44%, Year 21-22: 3.54%

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:

S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	NIL	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
	Nil	

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 compiled by the Company. These documents are treated as confidential by Defence forces.

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.

3. Number of consumer complaints in respect of the following:

	FY 2021-22		Remarks	FY 2020-21		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil		Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	142 [#]	-		126 [#]	-	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	Nil	Nil		Nil	Nil	

[#] The issues have been deliberated in structured meeting with Customers and have been attended

4. Details of instances of product recalls on account of safety issues:

	Number	Reason 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, Cyber Security Policy is hosted at https://hal-india.co.in/Common/Uploads/PDFS/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.



Independent Auditor's Report

To The Members of Hindustan Aeronautics Limited Report on the Audit of the 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 2022 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 Significant Accounting Policies and other explanatory information (hereinafter referred to as "the standalone financial statements") in which are included the returns of 27 divisions for the year 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the 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 in accordance with the Standards on Auditing (SAs) 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 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 Financial Statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statement.

Emphasis of Matter

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

a) Note:49 (33) (g)

COVID-19 Impact

Current year Impact:

Second wave of Covid-19 has forced the company to declare for a phased Lockdown at various divisions on substitution basis during April and May 2021. The Employees will put in additional hours for the lost hours during lockdown period. The lost man hour was recovered in June and July 2021. The Company has shown improved performance in the last III Quarter (July to March 2022). Hence, there is no significant impact during the year ended 31.03.2022.

Anticipated Future Impact:

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

b) Note no :49 (43 G)

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 representatives 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 year ended 31 March 2022 by ₹ 5256 lakhs (Previous year: ₹ 14450 lakhs) and a consequential reduction in sales revenue for the year ended 31 March 2022 by ₹ 812 lakhs (Previous year: ₹ 5677 lakhs) .

While so, the Employees Union and Officers Association have filed Writ Petitions with Hon’ble High Court of Karnataka to stay recovery of excess amount of salary paid by the Company. The Hon’ble 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 Note No.19 for ₹ 24489 lakhs (Previous year ₹19368 lakhs)

In respect of employees who retired prior to 30 June, 2021, provision is made for the amount recoverable ₹ 2584 lakhs (Previous year: ₹ 2680 lakhs).The amount withheld from employees who retired after 30th June 2021 is kept under other liabilities ₹ 1835 lakhs (Previous year: ₹ NIL).Based on the final order that may be passed, suitable effect will be carried out in the accounts.

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 Financial Statements of the current period. These matters were addressed in the context of our audit of the 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
<p>a) Revenue recognition</p> <p>(‘Ind AS 115’)</p> <p>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgements 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.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • 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 accounting 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: <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that generally identified and recorded by the company. • 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.



Key Audit Matters	Response to Key Audit Matters & Conclusion
	<ul style="list-style-type: none"> Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
<p>b) Impairment of Trade Receivables</p> <p>In respect of receivables from Government the company generally does not make any impairment provision based on past experience.</p> <p>The amount involved being significant balance and management judgement we consider this as a Key Audit Matter</p>	<p>We have verified the</p> <ol style="list-style-type: none"> Effectiveness of internal controls in place and procedures followed in identifying the recoverability of long outstanding dues. The procedures and follow up actions in ascertaining the impairment of receivables. <p>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 that the management assumption is reasonable</p>
<p>c) Liquidated damages</p> <p>The Company's contract with the customers has standard clause for Liquidated damages for delayed delivery. The company's product have 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.</p>	<p>We have verified the controls, period of delay, the expected days of delay as on 31.03.2022 and also the calculation for the liquidated damages recognized and found the system followed and calculation to be in order.</p>
<p>d) Work – in - Progress (WIP) - Inventories</p> <p>Inventories include Work in Progress which have been physically verified by the management based on physical verification instructions.</p>	<p>Our Audit Procedures include review of</p> <ul style="list-style-type: none"> Physical Verification instructions Physical verification reports Roll back procedures Examining the basis of valuation on a test check basis <p>Based on the above audit procedures we concluded that the valuation of WIP is proper.</p>
<p>e) Revision of pay</p> <p>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 representatives 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 is to be revised and the excess amount paid is to be recovered from the employees.</p>	<p>We have verified the Audit para given by PDCA Bangalore, and the directives given by the Administrative Ministry dated 07.04.2021.</p> <p>We have verified the Copies of the writ petition filed by the employees, the interim orders of the Hon'ble High Court and the legal opinion from the company counsel.</p> <p>We verified the internal control and the programme logic for recalculation of the employees cost and also made test check on walk through basis. Based on the above audit procedures we are satisfied with accounting treatment followed for employees benefits expenses, recognition of the amount recoverable, and the provision relating to retired employees.</p>



Key Audit Matters

The revision has resulted in reduction of salaries and wages for the year ended 31 March 2022 by ₹ 5256 lakhs (Previous year: ₹ 14450 lakhs) and consequential reduction in sales revenue for the year ended 31 March 2022 by ₹ 812 lakhs (Previous year: ₹ 5677 lakhs) .

While so, the Employees Union and the Officers Association have filed Writ Petitions with Hon'ble High Court of Karnataka to stay recovery of excess amount of salary paid by the Company. The Hon'ble High Court has granted interim stay on recoveries, Pending final disposal of the writ petitions by the High court, the excess amount is shown under claims recoverable Note No.19 ₹ 24489 lakhs (Previous year ₹ 19368 lakhs)

In respect of employees who retired prior to 30 June, 2021, provision is made for the amount recoverable ₹ 2584 lakhs (Previous year: ₹ 2680 lakhs).The amount withheld from employees who retired after 30th June 2021 is kept under other liabilities ₹ 1835 lakhs (Previous year: ₹ NIL).

Response to Key Audit Matters & Conclusion

Information Other than the Financial Statements and Auditors Reports Thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report, Management Discussion & Analysis Report, Business Responsibility Report, but does not include the financial statements and our auditor's report thereon. The Board's Report, Management Discussion & Analysis Report, Business Responsibility Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Companies Act,2013 ("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, (Changes in Equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India including the accounting Standards specified under Section 133 of the Act. 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are 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 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 misstatement of the 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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.

Other Matter

- a) We did not audit the financial statements/ information of 27 Divisions included in the financial statement of the company whose financial statements/financial information reflect total assets of ₹ 25 65 043 Lakhs as at 31st March 2022 and the total revenue of ₹ 6 77 320 lakhs for the year ended on that date, as considered in the standalone financial statements/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



Report on Other Legal and Regulatory Requirements

1. 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.
2. As required by Section 143(3) of the Act, 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 returns adequate for the purposes of our audit have been received from the divisions not visited by us.
 - c) The reports on the accounts of the divisions of the company audited under Section 143 (8) of the Act by the division auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d) The Balance Sheet, the Statement of Profit and Loss (the Statement of Changes in Equity) and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the divisions not visited by us.
 - e) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f) Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23rd February 2018 has exempted the companies engaged in defense 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.
 - g) 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.
 - h) The provisions of Section 197 are not applicable to a government Company (in terms of MCA Notification NO.GSR 463 (E) dated 05th June 2015) as the managerial remuneration is paid as per the appointment letter from the Government of India.
 - i) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**
 - 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, 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 Financial Statements –Refer Note 49 (2)(a), 49 (2)(b), 49 (20), 49 (21), 49 (41), 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 were no amounts which were 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 it's 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 division 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 division 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 mis-statement.
- v) a) The company has not declared any final dividend for the financial year 2020-2021.
- b) The interim dividends declared on 11.11.2021 and 10.02.2022 for the financial year 2021-2022 and paid by the Company during the year is in accordance with Section 123 of the Companies Act, 2013.
- c) The Company has not proposed any final dividend up to the date of our report.
- l) 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 Maharaj N R Suresh and Co. LLP

Chartered Accountants
Firm Registration No. 001931S/S000020



N R Suresh

Partner

Membership No.: 021661
UDIN:22021661AIXLJQ1542

Place: Bengaluru
Date: 13.05.2022





ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN AERONAUTICS LIMITED.

Report on the Internal Financial Controls 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 financial statements of HINDUSTAN AERONAUTICS LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining Internal Financial controls with reference to 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial controls with reference to 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, 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 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 over Financial Reporting and their operating effectiveness. Our audit of Internal Financial controls with reference to financial statements included obtaining an understanding of Internal Financial controls with reference to 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 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 division Internal Financial Controls System over Financial Reporting.

Meaning of Internal Financial controls with reference to financial statements

A company's Internal Financial Control over Financial Reporting 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 over Financial Reporting includes those policies and procedures that:

- (i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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
- (iii) 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 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, 2022, 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.

For Maharaj N R Suresh and Co. LLP

Chartered Accountants

Firm Registration No. 001931S/S000020



N R Suresh

Partner

Membership No.: 021661

UDIN:22021661AIXLJQ1542

Place: Bengaluru

Date: 13.05.2022





ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN AERONAUTICS LIMITED.

The Annexure referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report 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 of our knowledge and belief we state that;

- (i) (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 regard to the size of the company and nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment's 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 discrepancy 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 property	Gross carrying value in lakhs	Held in name of	Whether promoter, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in name of company*
FMD					
Land 72.675 Acres	1	Various persons	NA	Approx. 1950	Compendium Error. Estate department is 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.
NASIK					
Land at Kasbe Sukuena Railway station: Approx. 265.17 acres of rail siding handed over GOM	0	Government of Maharashtra (GOM)	NA	Since Inception of the Nashik factory in 1964	*Also indicate if in dispute
LUCKNOW					
Land 39.320 Acres	286 Lakhs	Lucknow Development Authority	Not applicable	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.



Description of property	Gross carrying value in lakhs	Held in name of	Whether promoter, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in name of company*
KANPUR					
Land at Kanpur (401.19 Acres)	₹ 4.00 Lakhs	No title deed	No	Since beginning but date not available	We have been informed that possession of the said 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)
Land at Kanpur (27.84) Acres		Not title deed	No	December 1965	Land acquired and handed over to HAL by district land acquisition officer, case filed with District Magistrate for transfer of name in title deed.

- (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 2022 for holding any benami property under Benami Transaction (Prohibition) Act ,1988 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. There are differences between the stock statement submitted to the banks and books of account however the differences are not significant. Refer note 55J of note 49 to financial statements.
- (iii) During the year the Company has made investments in a joint venture company and has granted loans both secured and unsecured to its employees and has not provided any guarantee or security to any other entity.
- (a) The company has provided both secured and unsecured loan to its employees .
- A) The aggregate amount granted during the year and balance outstanding at the balance sheet date is given below:

Particulars	Loans to employees ₹ in Lakhs
Aggregate amount provided during the year	207
Balance outstanding as at balance sheet date in respect of above	969

- (b) In our opinion, the Investment made 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 Defense production is exempt from Section 185 and 186 of Companies Act, 2013 and hence considered 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 account 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, and any other Statutory Dues to the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2022 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 2022 on account of disputes are given below :

Sales Tax

Assessment Year	Amount (In Lakhs)	Appeal by	Forum Where dispute is pending
1986-87	3340	The Company	1 st Appellate Authority
1988-89	5106	The Company	1 st Appellate Authority
1989-90	5465	The Company	1 st Appellate Authority
1991-92	4279	The Company	1 st Appellate Authority
1997-98	319	The Company	1 st Appellate Authority
1999-2000	151	The Company	Maharashtra Sales Tax Tribunal
2000-2001	57	The Company	1 st Appellate Authority. (Re calculation pending)
2000-2001	9	The Company	Rectification Application submitted on 19.05.2006 pending before Dy.Com. Of Sales Tax Assessment Nashik
2001-2002	480	The Company	1 st Appellate Authority. Jt. Commissioner Sales tax (appeal)- Nashik (Re calculation pending)
2002-2003	89	The Company	Maharashtra Sales Tax Tribunal, Mumbai
2002-2003	365	The Company	Maharashtra Sales Tax Tribunal, Mumbai
2003-2004	321	The Company	Maharashtra Sales Tax Tribunal, Mumbai
2003-2004	28	The Company	Maharashtra Sales Tax Tribunal, Mumbai
2004-2005	10510	The Company	Maharashtra Sales Tax Tribunal, Mumbai
2004-2005	270	The Company	Ratification application before Sr. Deputy Commissioner of Sales Tax Nasik
2005-2006	41459	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021



Assessment Year	Amount (In Lakhs)	Appeal by	Forum Where dispute is pending
2005-2006	59	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2006-2007	76060	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2006-2007	8	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2008-2009	82234	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2009-2010	102090	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2009-2010	139	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2007-2008	57387	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2007-2008	14	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2010-2011	92600	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2011-2012	90384	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2011-2012	11	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2012-13	79396	The Company	Remanded back order received from first Appellate authority - Nasik on 23-11-2021
2013-14	93906	The Company	Pending before First Appellate authority - Nasik
2013-14	14	The Company	Pending before First Appellate authority - Nasik
2014-15	67170	The Company	Assessment order Received. Writ petition is filed before the Bombay High Court
2014-15		The Company	Assessment order Received on 02-04-2019. Rectification application filed. Rectification order received on 26-06-2019
2015-16	71484	The Company	Pending before First Appellate authority - Nasik
2016-17	106895	The Company	Pending before First Appellate authority - Nasik
2016-17	65	The Company	Rectification Application submitted on 05-07-2021 for submission of "Form C" pending before Dy.Com. Of Sales Tax Assessment Nashik
2005-06	137.68	The Company	CCT, J&K
2004-2015	32437.44	The Company	Additional Commissioner (Appeal)
1996-97	479	The Company	High Court, Allahabad
1997-98	593	The Company	High Court, Allahabad
1998-99	751	The Company	High Court, Allahabad
1999-00	488	The Company	High Court, Allahabad
2000-01	1058	The Company	High Court, Allahabad
2001-02	1222	The Company	High Court, Allahabad
2002-03	1361	The Company	High Court, Allahabad



Assessment Year	Amount (In Lakhs)	Appeal by	Forum Where dispute is pending
2003-04	709	The Company	High Court, Allahabad
2004-05	936	The Company	High Court, Allahabad
2005-06	1230	The Company	High Court, Allahabad
2006-07	2386	The Company	High Court, Allahabad
2007-08	2988	The Company	High Court, Allahabad
2008-09	2316	The Company	High Court, Allahabad
2009-10	2922	The Company	High Court, Allahabad
2010-11	3348	The Company	High Court, Allahabad
2011-12	4399	The Company	High Court, Allahabad
2012-13	5848	The Company	High Court, Allahabad
2013-14	3195	The Company	Tribunal
2014-15	3710	The Company	Tribunal
2015-16	1688	The Company	Tribunal
2016-17	2637	The Company	Tribunal
2017-18	835	The Company	Addl Commissioner (A), Commercial Tax, Kanpur
2005-06	102	The Company	WB Commercial Taxes Appellate and Revisional Board, Kolkata
2006-07	448	The Company	WB Commercial Taxes Appellate and Revisional Board, Kolkata
2007-08	351	The Company	WB Commercial Taxes Appellate and Revisional Board, Kolkata
2008-09	849	The Company	WB Commercial Taxes Appellate and Revisional Board, Kolkata
2016-17	83	The Company	WB Commercial Taxes Appellate and Revisional Board, Kolkata
2015-16	9	The Company	CESTAT
2016-17	4	The Company	CESTAT
2010-11	372	The Company	Appellate Tribunal, Lucknow
2011-12	1432	The Company	High Court
2012-23	4156	The Company	High Court
2013-14	4859	The Company	High Court
2014-15	8310	The Company	High Court
2015-16	14564	The Company	Appellate Tribunal, Lucknow
2016-17	12535	The Company	Appellate Tribunal, Lucknow
2017-18	3681	The Company	Appellate Tribunal, Lucknow
Total	1121594		

Sales Tax paid against Disputed tax ₹ 11 048 Lakhs

Service Tax

Assessment Year	Amount (In Lakhs)	Appeal by	Forum Where dispute is pending
2008-09 to 2012-13	4709	The Company	Pending before Tribunal, Bangalore
2009-10	387	The Company	Pending before Tribunal, Bangalore
2014-15 to 2017-18	136	The Company	Pending before Tribunal, Bangalore
April 17 to June 17	6	The Company	Pending before Tribunal, Bangalore
August 2002 to March 2003	6.3	The Company	CESTAT, Bangalore



Assessment Year	Amount (In Lakhs)	Appeal by	Forum Where dispute is pending
April 2003 to March 2004	25.89	The Company	CESTAT, Bangalore
April 2004 to March 2005	62.58	The Company	CESTAT, Bangalore
April 2005 to March 2006	77.59	The Company	CESTAT, Bangalore
April 2006 to March 2007	123.43	The Company	CESTAT, Bangalore
April 2007 to March 2008	128.24	The Company	CESTAT, Bangalore
April 2008 to March 2009	17.65	The Company	CESTAT, Bangalore
April 2009 to March 2010	1.46	The Company	CESTAT, Bangalore
April 2010 to March 2011	1.25	The Company	CESTAT, Bangalore
April 2013 to June 2017	13	The Company	Commissioner of Service Tax (appeals)-I.
October 2012 to June 2017	6.4	The Company	"Assistant Commissioner" East Division – 5, GST Commissionerate, Bengaluru East
April 2011 – March 2012	74	The Company	CESTAT
April 2009 – 2010 to March 2010 – 2011	84	The Company	CESTAT
October 2007 to March 2009	120	The Company	CESTAT
July 2007 to July 2008	2336.94	The Company	CESTAT
March 12 – Mar 14	183	The Company	Commissioner of Appeals
October 2013 to June 2017	380	The Company	Commissioner of Appeals
2013-14	2.34	The Company	Commissioner of Central Tax (Appeal) Domlur Bangalore
2014-15	4.68	The Company	Commissioner of Central Tax (Appeal) Domlur Bangalore
2015-16	3.68	The Company	Commissioner of Central Tax (Appeal) Domlur Bangalore
2016-17	11.03	The Company	Commissioner of Central Tax (Appeal) Domlur Bangalore
2017-18	7.09	The Company	Commissioner of Central Tax (Appeal) Domlur Bangalore
2018-19	5.09	The Company	Commissioner of Central Tax (Appeal) Domlur Bangalore
2013-14 till 2017-18	56.02	HAL FMD	Commissioner of Central Tax (Appeals) East Commissionerate Domlur
2006-07	5430.04	The Company	Matter decided by H'ble CESTAT, Mumbai in HAL favour. Department has gone into appeal in Supreme Court.
2006-2007	1190.8	The Company	Appeal filed before CESTAT, Mumbai vide ST/86342/13-MUM Dated 01.04.2013
2007-08	784.43	The Company	Appeal filed before CESTAT, Mumbai vide ST/86342/13-MUM Dated 01.04.2013
2007-08	868.75	The Company	Matter decided by H'ble CESTAT, Mumbai in HAL favour. Department has gone into appeal in Supreme Court



Assessment Year	Amount (In Lakhs)	Appeal by	Forum Where dispute is pending
2008-09	211.73	The Company	1) Matter decided by H'ble CESTAT Mumbai in HAL Favour. Department has gone into appeal in Supreme Court. 2) Joint Commissioner of Central Excise & Customs, Nashik.
2008-09	669.46	The Company	Appeal filed before CESTAT, Mumbai vide ST/86342/13-MUM Dated 01.04.2013
2009-10	334.4	The Company	Appeal filed before CESTAT, Mumbai vide ST/86342/13-MUM Dated 01.04.2013
2010-11	384.22	The Company	Appeal filed before CESTAT, Mumbai vide ST/86342113-MUM Dated 01.04.2013
2011-12	199.3	The Company	1) Appeal filed before CESTAT vide ST/89144/13-MUM Dated 27.11.2013; Case remanded back by CESTAT vide final order Dt.20.10.2017. Addl Comm. CGST & Central excise Nashik has issued OiO No. 03/Addl/ADJ/2019 Dt. 31.01.2019 for Demand of ₹ 21.21 Lacs. 2) ST/85856/15-MUM Dated 21.04.2015; Case remanded back by CESTAT vide final order Dt.01.11.2018 to the adjudicating authority to consider the eligibility of Notification No. 12/2003-ST Dt.20.06.2003 afresh. No further progress in the case.
2012-13	653.36	The Company	Appeal filed before CESTAT Mumbai vide ST/85856/15-MUM Dated 21.04.2015; Case remanded back by CESTAT vide final order Dt. 01.11.2018 to the adjudicating authority to consider the eligibility of Notification No. 12/2003-ST Dt.20.06.2003 afresh. No further progress in the case.
2012-13	7.15	The Company	Pending before First Appellate authority - Nasik
2012-13	135.18	The Company	Appeal filed before CESTAT in Mar 2019;ST/86125/2019-DB; No further hearing posted
2013-14	9395.5	The Company	Appeal filed before CESTAT, Mumbai vide ST/87320 DT 10-10-2016; No further hearing posted
2013-14	5.87	The Company	Pending before First Appellate authority - Nasik
2013-14	160.94	The Company	Appeal filed before CESTAT in Mar 2019;ST/86125/2019-DB; No further hearing posted
2014-15	12326.47	The Company	Appeal filed before CESTAT, Mumbai vide ST/85007 Dt. 11/01/2017; No further hearing posted
2014-15	6.38	The Company	Pending before First Appellate authority - Nasik
2014-15	164.29	The Company	Appeal filed before CESTAT in Mar 2019;ST/86125/2019-DB; No further hearing posted
2015-16	12744.5	The Company	Appeal filed before CESTAT in Mar 2019 vide ST/86124/2019-DB; No further hearing posted
2015-16	163.43	The Company	Appeal filed before CESTAT in Mar 2019;ST/86125/2019-DB; No further hearing posted
2015-16	5.63	The Company	Appeal filed before CESTAT



Assessment Year	Amount (In Lakhs)	Appeal by	Forum Where dispute is pending
2016-17	37518.19	The Company	Appeal filed before CESTAT in Mar 2019 ; ST/86124/2019-DB; No further hearing posted
2016-17	250	The Company	Appeal filed before CESTAT in Mar 2019;ST/86125 /2019-DB; No further hearing posted
2016-17	3.54	The Company	Appeal filed before CESTAT
2017-18	2191.16	The Company	Appeal filed before CESTAT in Mar 2019 ; ST/86124/2019-DB; No further hearing posted
2017-18	0.34	The Company	Appeal filed before CESTAT
2007-08 to 2011-12	10145	The Company	CESTAT EZB, KOLKATA
2015-16	1044.74	The Company	Commissioner of CGST & Central Excise, Audit Commissionerate, Bhubneswar
2016-17 & 2017-18	322.91	The Company	Pending before the joint Commissioner of CGST & Central Excise, Audit Commissionerate, Bhubneswar
2005-06 to 2009-10	385.43	The Company	CESTAT
2010-11	38.49	The Company	CESTAT
2011-12	340.27	The Company	CESTAT
2010-11	38.49	CCE&ST	CESTAT
2015-16	280.06	The Company	CESTAT
2020-21	11.54	The Company	CESTAT
2016-17 & 2017-18	242.22	The Company	CESTAT
2004-05 to 2008-09	426	The Company	Central Excise & Service Tax appellate Tribunal, New Delhi
2011-12 to 2014-15	11976	The Company	CESTAT, Allahabad
2015-16 to 2016-17	184	The Company	CESTAT, Allahabad
Various Years	166	The Company	Commissioner (Appeal)
2005-06	61.66	The Company	Service Tax Appellate Tribunal
2009-10	281.79	The Company	Service Tax Appellate Tribunal
2010-11	56.77	The Company	Commissioner (Appeals)
2016-17	227.88	The Company	Service Tax Appellate Tribunal
2012-13	42.34	The Company	CESTAT
April 2009 To March 2013	450.4	The Company	CESTAT
2016-17	13973	The Company	CESTAT/ Tribunal
2017-18	1904	The Company	CESTAT/ Tribunal
2019-20	326	The Company	CESTAT/ Tribunal
2012-2017 (Up to June 30, 2017)	103	The Company	Commissionerate , Bangalore
2013 – 2017 (Upto June 30,2017)	124	The Company	Commissionerate , Bangalore
2014 – 2017 (Upto June 30,2017)	100	The Company	Commissionerate , Bangalore
2014-15 to 2018-19	1	The Company	CESTAT/ Tribunal
Total	1,38,028		

Service Tax paid against Disputed tax ₹ 3,799 lakhs.



GST

Assessment Year	Amount (In Lakhs)	Appeal by	Forum Where dispute is pending
2017-18	308	The Company	HAL has filed Appeal with Appellate Authority (Dy. Commissioner of Sales tax)
Total	308		

GST paid against Disputed tax ₹ 13 lakhs.

Customs Duty

Assessment Year	Amount (In Lakhs)	Appeal by	Forum Where dispute is pending
2019-2020	945	The Company	Pending before Tribunal, Bangalore
2015-16 to 2019-20	4097.67	The Company	CESTAT
2013-14	23,568.53	The Company	CESTAT
2018-19	22.4	The Company	CESTAT
2017-18 to 2020-21	264.2	The Company	CESTAT
2018 – 2019 & 2019 – 2020	1286	The Company	Commissionerate of Customs, Bangalore
Total	30 184		

Customs Duty paid against disputed tax ₹ 3 582 lakhs

Income Tax

Assessment Year	Amount (In Lakhs)	Appeal by	Forum Where dispute is pending
2011-12 to 2020-21	400	The Company	Asst. Commissioner, Income Tax, TDS
2017-18	18033	The Company	Commissioner of Appeals
2018-19	13720	The Company	Commissioner of Appeals
2019-20	66635	The Company	Commissioner of Appeals
Total	98778		

Income tax paid against disputed tax ₹ 247 lakhs

Municipal Tax

Year	Amount (In Lakhs)	Appeal by	Forum Where Dispute is pending	Authority
2008-09 till 2021-22	15210	The Company	City Civil Court, Bangalore	Property tax against BBMP Bangalore
Total	15,210			

Municipal Tax paid against Disputed tax ₹ Nil.



Others

Year	Amount (In Lakhs)	Appeal by	Forum Where Dispute is pending	Authority
01/04/2019 to 30/09/2020	16.25	The Company	ESIC, Regional Director (Appellant Authority)	Employees State Insurance Act
2001-02 to 2021-22	2673	The Company	Bombay High Court	Non Agricultural Cess
2001-02 to 2021-22	548	The Company	Bombay High Court	Gram Panchayat Tax
Various Years	728.04	The Company	CIVIL/HIGH COURT	OTHERS CASES
2013-14	119	The Company	ESI Court	Employees State Insurance Act
2014-15	6	The Company	ESI Court	Employees State Insurance Act
2014-15	507	The Company	High Court	High Court
October 2012 – June 2017	17.51	The Company	High Court	High Court
Total	4615			

- (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 taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (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, have 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) No fraud by the Company or fraud on the Company has been noticed or reported during the year
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed 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) 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 .
- (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) The Company has not transferred the amount remaining unspent on CSR Expenditure in respect of other than ongoing projects, to a fund specified in schedule VII to the Companies Act,2013 till the date of our report. However the time period for such transfer ie six months of the expiry of the financial year as permitted under the second proviso to subsection (5) of section 135 of the act,has not elapsed till the date of our Report.
- (b) There are 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 Maharaj N R Suresh and Co. LLP

Chartered Accountants

Firm Registration No. 001931S/S000020



N R Suresh

Partner

Membership No.: 021661

UDIN:22021661AIXLJQ1542

Place:Bengaluru
Date: 13.05.2022



ANNEXUR E – C TO THE INDEPENDENT AUDITOR'S REPORT

Directions indicating the areas to be examined by the Auditors during the course of audit of annual accounts of Hindustan Aeronautics Limited for the year 2021-22 issued by the Comptroller & 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 are 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.	The Company has received a sum of ₹ 13229 lakhs from Ministry of defence (MOD), Government of India (GOI), towards investments by the Company in M/S Multirole Transport Aircraft Limited (MTAL).out of the above, the company has till date invested a sum of ₹ 11347 lakhs (PY 11347 Lakhs).The balance of ₹ 1882 lakhs repaid during FY 2020-21.Interests @ 6.85% has been provided on the unutilised portion till June 2020 Shown under other Financial liabilities.

For Maharaj N R Suresh and Co. LLP

Chartered Accountants
Firm Registration No. 001931S/S000020



N R Suresh

Partner

Membership No.: 021661
UDIN:22021661AIXLJQ1542

Place: Bengaluru
Date: 13.05.2022



सत्यमेव जयते
Dedicated to Truth in Public Interest

Confidential
By Speed Post

Sl.No. Report 6/2022-23/HAL(A-22)/120

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य
लेखापरीक्षा बोर्ड का कार्यालय, बंगलुरु - 560 001.
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT and ex-Officio MEMBER, AUDIT BOARD,
BENGALURU - 560 001.

दिनांक/DATE: 07-07-2022

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 2022.

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,



(Arun Kumar VM)
Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
प्रधान मन्त्र, बसव भवन, श्री बसवेश्वर रोड, बंगलुरु - 560 001.
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

दूर.वा./Phone : 2226 7646 / 2226 1168
Email : mabbangalore@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 HINDUSTAN AERONAUTICS LIMITED, BENGALURU FOR THE
YEAR ENDED 31 MARCH 2022.**

The preparation of financial statements (standalone financial statement) of **Hindustan Aeronautics Limited, Bengaluru** for the year ended 31 March 2022 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 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 13 May 2022.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of **Hindustan Aeronautics Limited, Bengaluru** for the year ended 31 March 2022. 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 statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**


(Santosh Kumar, IA&AS)

**Pr. Director of Commercial Audit
& Ex-Officio Member, Audit Board, Bengaluru.**

**Bengaluru
Date: 07 July 2022.**



Standalone Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1			
Gross Block	1A	1061683	1020529	939541
Less: Accumulated Depreciation	1B	469698	399144	328805
Less: Impairment	1C	0	0	0
Net Block		591985	621385	610736
(b) Capital work-in-progress	2	94801	66215	73469
(c) Investment Property	3			
Gross Block	3A	4	4	4
Less: Accumulated Depreciation	3B	1	1	1
Less: Impairment	3C	0	0	0
Net Block		3	3	3
(d) Goodwill	4			
(e) Other Intangible assets	5			
Gross Block	5A	337536	295628	250556
Less: Accumulated Amortization	5B	200703	161395	116429
Less: Impairment	5C	53007	39826	33441
Net Block		83826	94407	100686
(f) Intangible Assets under Development	6			
Gross Block	6A	157859	129640	119282
Less: Accumulated Amortization	6B	0	0	0
Less: Impairment	6C	5475	1013	1013
Net Block		152384	128627	118269
(g) Financial Assets				
(i) Investments in Subsidiaries and Joint Ventures	7	11012	10569	11714
(ii) Investments	7A	118402	94926	88345
(iii) Trade Receivables	8	0	0	0
(iv) Contract Assets	8A	0	0	0
(v) Loans	9	623	750	956
(vi) Other Financial Assets	10	40330	37639	37653
(h) Deferred tax Assets (Net)	11	56557	5235	47011
(i) Other Non-Current Assets	12	181464	70635	62784
Total non-current assets		1331387	1130391	1151626
Current assets				
(a) Inventories	13	1436358	1668856	1957665
(b) Financial Assets				
(i) Investments	14	0	0	0
(ii) Trade receivables	15	464155	566955	1126395
(iii) Contract Assets	15A	780865	844768	786227
(iv) Cash and Cash Equivalents	16	306914	714148	27783
(v) Bank Balances other than Cash and Cash Equivalents	17	1127447	2485	2008
(vi) Loans	18	806	774	1176
(vii) Other Financial Assets	19	102474	101035	117110
(c) Current Tax Assets (Net)	20	0	0	3531
(d) Other current Assets	21	280882	139563	129213
Total current assets		4499901	4038584	4151108
Assets held for Sale	Clause 45D of Note 49	811	0	0
Total Assets		5832099	5168975	5302734



Standalone Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	22	33439	33439	33439
(b) Other Equity	23	1892961	1503379	1287033
Total equity		1926400	1536818	1320472
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	0	0	0
(ia) Lease Liabilities	24A	178	174	170
(ii) Trade payables	25			
A) total outstanding dues of micro enterprises and small Enterprises		0	0	0
B) total outstanding dues of creditors other than micro enterprises and Small Enterprises		0	0	0
Sub Total- Trade payables		0	0	0
(iii) Other Financial Liabilities	26	52468	49329	54986
(b) Provisions	27	124824	124105	127346
(c) Deferred Tax Liabilities (Net)	28	0	0	0
(d) Other Non-Current Liabilities	29	1226244	917130	691278
Total non-current liabilities		1403714	1090738	873780
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	30	0	907	588650
(ia) Lease Liabilities	30A	8	8	8
(ii) Trade payables	31			
A) total outstanding dues of micro enterprises and small enterprises		4575	5209	4866
B) total outstanding dues of creditors other than micro enterprises and small enterprises		251402	220864	404883
Sub Total-Trade payables		255977	226073	409749
(iii) Other Financial liabilities	32	185024	194982	249425
(b) Other Current Liabilities	33	1475484	1683668	1298456
(c) Provisions	34	505578	393527	504118
(d) Current Tax Liabilities (Net)	35	79914	42254	58076
Total current liabilities		2501985	2541419	3108482
Total Equity and Liabilities		5832099	5168975	5302734

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Financial Statements

As per our Report of even date

For and on behalf of the Board of Directors

For Maharaj N R Suresh and Co. LLP
Chartered Accountants
Firm Registration No. 001931S/5000020



CA N R Suresh
Partner
Membership No. 021661

Place: Bangalore
Date: 13.05.2022


(C. B. Ananthakrishnan)
Director (Finance) & CFO
DIN: 06761339


(R. Madhavan)
Chairman & Managing Director
DIN: 08209860


(G. V. Sesha Reddy)
Company Secretary



Standalone Statement of Profit and Loss

for the year ended 31st March 2022

(₹ in Lakhs)

S. No.	Particulars	Note No.	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
	REVENUE			
I	Revenue from Operations	36	2462021	2288236
II	Other Income	37	98634	35789
III	Total Income (I+II)		2560655	2324025
IV	EXPENSES			
	Cost of Materials Consumed	38	875525	791915
	Purchases of Stock-in-Trade	38A	65668	82116
	Changes in Inventories of Finished Goods, Stock-in-Trade, Work-in-Progress and Scrap	39	59229	245827
	Employee Benefits Expense	40	458983	429102
	Finance Costs	41	5814	25911
	Depreciation and Amortization Expense	42	110987	115719
	Impairment Loss	42A	17643	6385
	Other Expenses	43	120874	120723
	Direct Input to WIP / Expenses Capitalised	44	32315	25977
	Provisions	45	373918	146208
	Total Gross Expenses		2120956	1989883
	Less: Expenses relating to Capital and Other Accounts	46	83416	93394
	Total expenses (IV)		2037540	1896489
V	Profit/(Loss) before Exceptional items and Tax (III-IV)		523115	427536
VI	Exceptional Items		0	202
VII	Profit/(loss) before tax (V+VI)		523115	427738
VIII	Tax expense:			
	(1) Current Tax		190000	64500
	(2) Earlier Year Tax Refund		-119273	-4933
	(3) Deferred Tax		-56262	44226
IX	Profit (Loss) for the period from Continuing Operations (VII-VIII)		508650	323945
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)		508650	323945
XIV	Other Comprehensive Income (OCI)			
A	(i) Items that will not be reclassified to profit or loss	47	19627	-9733
	(ii) Income tax benefit/(expense) on the items that will not be reclassified to Profit or Loss		-4940	2450
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



Standalone Statement of Profit and Loss

for the year ended 31st March 2022


(₹ in Lakhs)

S. No.	Particulars	Note No.	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
	Total Other Comprehensive Income (A + B)		14687	-7283
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		523337	316662
XVI	Earnings per Equity Share (for Continuing Operations):	Clause 47 of Note 49		
	(1) Basic (₹)		152.11	96.88
	(2) Diluted (₹)		152.11	96.88
XVII	Earnings per Equity Share (for Discontinued Operations):			
	(1) Basic (₹)			
	(2) Diluted (₹)			
XVIII	Earnings per Equity Share (for Continuing & Discontinued Operations):			
	(1) Basic (₹)		152.11	96.88
	(2) Diluted (₹)		152.11	96.88

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Financial Statements
As per our Report of even date

For and on behalf of the Board of Directors

For Maharaj N R Suresh and Co. LLP
Chartered Accountants
Firm Registration No. 001931S/S000020



CA N R Suresh
Partner
Membership No. 021661

Place: Bangalore
Date: 13.05.2022



(C. B. Ananthakrishnan)
Director (Finance) & CFO
DIN: 06761339



(R. Madhavan)
Chairman & Managing Director
DIN: 08209860



(G. V. Sesha Reddy)
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31st March 2022

A. Equity Share Capital

Particulars	Balance as at 1 April, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1 April, 2021	Changes in Equity Share Capital for the year ended 31 March, 2022	Balance as at 31 March, 2022
Equity Share Capital	33439	0	33439	0	33439

(₹ in Lakhs)

Equity Share Capital

Particulars	Balance as at 1 April, 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1 April, 2020	Changes in Equity Share Capital for the year ended 31 March, 2021	Balance as at 31 March, 2021
Equity Share Capital	33439	0	33439	0	33439

(₹ in Lakhs)

B. Other Equity (Refer Note 23)

Particulars	Other Equity				Total Other Equity (₹ in Lakhs)
	Research and Development Reserve	Reserves and Surplus	Retained earnings	Other Comprehensive Income	
		Capital Redemption Reserve	General Reserve	Remeasure- ments of net defined benefit liability/ asset	Exchange differences in translating the financial statements of a foreign operation
Balance as at 1 April, 2021	133727	14761	1354875		16
Changes in Other Equity due to changes in accounting policy or prior period errors					
Restated Balance at 1 April, 2021	133727	14761	1354875	0	16
Changes in Other Equity for the year ended 31 March, 2022					
Profit for the year ended 31 March, 2022				508650	
Items that will not be reclassified to profit or loss				19627	0
Remeasurements of the net defined benefit liability/asset				14687	
Income tax relating to items that will not be reclassified to profit or loss				-4940	0
Transfer to Retained Earnings				-14687	
Total comprehensive income for the year ended 31 March, 2022				523337	0
Current year transfer	31596				
Transfer to General Reserve on utilization	-3985				
Surplus Transferred from Statement of Profit and Loss			357986		
Transfer from Research & Development Reserve			3985		
Transfer to Research & Development Reserve			-31596		
Interim Dividend			-133755		
Transfer to General Reserves			-357986		
Balance as at 31 March, 2022	161338	14761	1716846	0	16

(₹ in Lakhs)

Standalone Statement of Changes in Equity for the year ended 31st March 2022

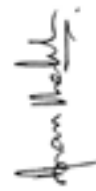
B.Other Equity (Refer Note 23)

Particulars	Reserves and Surplus			Other Equity		Total Other Equity
	Research and Development Reserve	Capital Redemption Reserve	General Reserve	Retained earnings	Other Comprehensive Income	
Balance as at 1 April, 2020	108732	14761	1226863			1286519
Changes in Other Equity due to changes in accounting policy or prior period errors			514			514
Restated Balance at 1 April, 2020	108732	14761	1227377	0		1287033
Changes in Other Equity for the year ended 31 March, 2021						
Profit for the year ended 31 March, 2021				323945		323945
Items that will not be reclassified to profit or loss						-9733
Remeasurements of the net defined benefit liability/asset				-7283		-7283
Income tax relating to items that will not be reclassified to profit or loss						2450
Transfer to Retained Earnings					7283	7283
Total comprehensive income for the year ended 31 March, 2021				316662	0	316662
Transfer from Other Comprehensive Income				-63853		-63853
Transfer to Retained Earnings						63853
Current year transfer	29599					29599
Transfer to General Reserve on utilization	-4604					-4604
Surplus Transferred from Statement of Profit and Loss			122894			122894
Transfer from Research & Development Reserve			4604			4604
Transfer to Research & Development Reserve				-29599		-29599
Final Dividend				-100316		-100316
Transfer to General Reserves				-122894		-122894
Balance as at 31 March, 2021	133727	14761	1354875	0	0	1503379

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Financial Statements

As per our Report of even date

For and on behalf of the Board of Directors



(C. B. Ananthakrishnan)
Director (Finance) & CFO
DIN: 06761339



(R. Madhavan)
Chairman & Managing Director
DIN: 08209860

For Maharaj N R Suresh and Co. LLP
Chartered Accountants
Firm Registration No. 001931/S/5000020



CA N R Suresh
Partner
Membership No. 021661

Place: Bangalore
Date: 13.05.2022



(G. V. Seshu Reddy)
Company Secretary



Standalone Statement of Cash Flows

for the year ended 31st March 2022

(₹ in Lakhs)

Sl. No.	Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
A	Cash flow from Operating activities		
	Profit After Tax	508650	323945
	Adjustments to reconcile net profit to net cash provided by operating activities		
	Income Tax expense	14465	103793
	(Gain)/Loss on sale of Property, Plant & Equipment	-157	-12
	Finance cost	247	20436
	Interest Income	-42438	-8802
	Dividend Income	-196	-111
	Net (Gain)/Loss on Fair Value Adjustment	313	64
	Depreciation, amortization and impairment expense	128630	122104
	Provision for Impairment in Value of Investments	557	1145
	Provision for Doubtful Debts	105568	1426
	Provision for Doubtful Claims	7120	3017
	Provision for Replacement and Other charges	78729	21175
	Provision for Warranty	51544	32561
	Provision for Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials, Work-in-progress and Inventory - Warranty	56005	43009
	Provision for Liquidated Damages	74395	43875
	Provision for Onerous Contract	0	-32183
	Operating Profit Before Working Capital Changes	983432	675442
	Adjustments for:		
	(Increase)/decrease in Trade Receivables	61135	499473
	(Increase)/decrease in Loans, Financial Assets and Other Assets	-161662	-10876
	(Increase)/decrease in Inventories	176493	245800
	Increase/(decrease) in Trade Payables	29904	-183676
	Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities	20024	373778
	Cash generated from Operations	1109326	1599941
	Income Taxes Paid	-105318	-87547
	Net Cash (used in)/generated from Operating Activities (A)	1004008	1512394
B	Cash flow from Investing activities		
	Purchase of Property, Plant & Equipment	-79892	-65322
	Purchase of Intangible Assets	-70127	-55430
	Proceeds from sale of Property, Plant & Equipment	317	123
	Investment in Joint Ventures	-1000	0
	Purchase of other non current Investments	-23476	-6581
	Investment in short term deposits	-1124962	-477
	Interest Received	22607	7565
	Dividend Received from Joint Ventures	196	111
	Share application money refunded by Joint Venture	0	1000
	Net Cash (used in)/generated from Investing Activities (B)	-1276337	-119011



Standalone Statement of Cash Flows

for the year ended 31st March 2022

(₹ in Lakhs)

Sl. No.	Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
C	Cash flow from Financing Activities		
	Repayment of Borrowings-Current (Net)	-907	-585980
	Payment of Lease Liabilities	-7	-297
	Interest paid	-236	-20425
	Dividend Paid	-133755	-100316
	Net Cash (used in)/generated from Financing Activities (C)	-134905	-707018
D	Effect of Exchange differences on translation of foreign currency cash and cash equivalents	0	0
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C+D)	-407234	686365
	Add: Cash and Cash Equivalents at the beginning of the year (Refer Note 16)	714148	27783
	Cash and Cash Equivalents at the end of the year (Refer Note 16)	306914	714148

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Financial Statements

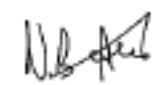
Notes:

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. Previous year figures are rearranged or regrouped wherever necessary
4. Cash and Cash Equivalents are available fully for use
5. The Cash flow statement as above includes CSR Expenditure. Refer Clause 55S of Note 49

As per our Report of even date

For and on behalf of the Board of Directors

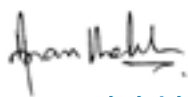
For Maharaj N R Suresh and Co. LLP
Chartered Accountants
Firm Registration No.001931S/S000020



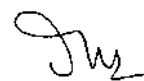
CA N R Suresh
Partner
Membership No. 021661

Place: Bangalore
Date: 13.05.2022

(C. B. Ananthakrishnan)
Director (Finance) & CFO
DIN: 06761339



(R. Madhavan)
Chairman & Managing Director
DIN: 08209860



(G. V. Sesha Reddy)
Company Secretary





Significant Accounting Policies for the financial year 2021-22

1. BASIS OF ACCOUNTING:

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.

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. PROPERTY, PLANT AND EQUIPMENT(PPE):

- a) Property, Plant and Equipment are stated at cost net of 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.



Significant Accounting Policies for the financial year 2021-22

- 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.

3.1: 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.

4. 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 stated at cost net of accumulated depreciation and accumulated impairment losses, 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.

5. INTANGIBLE ASSETS

- a) Intangible Assets controlled and from which future economic benefits are expected to flow and having useful life are recognized at cost less any accumulated amortization and accumulated 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.



Significant Accounting Policies for the financial year 2021-22

6. LEASE ACCOUNTING

6.1. 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.

6.2. The 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.

6.3. 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.

6.3.1 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.

6.3.2 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.



Significant Accounting Policies for the financial year 2021-22

- 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.

6.4. 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.

7. 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) Investments are carried individually at cost less accumulated impairment in the value of such Investments.
- c) Cost of Investment includes acquisition charges such as brokerage, fees and duties.
- d) 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.
- e) 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.

8. IMPAIRMENT OF ASSETS

As at each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. 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.

9. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company recognizes all Financial Assets other than non-current investments and Financial Liabilities at Fair Value on inception and subsequent measurements are done at amortised cost.

10. 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.

11. 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.

12. INVENTORIES

- a) Inventories are valued at lower of Cost and 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-



Significant Accounting Policies for the financial year 2021-22

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) Saleable / Disposable scrap is valued at Net Realisable Value.
- e) Stores declared surplus / unserviceable / redundant are charged to revenue in the year of such identification.
- f) Consumables issued from stores and lying unused at the end of the year are not reckoned as inventory.

13. REVENUE RECOGNITION

13.1. 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. 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.

13.2. 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.

13.3. 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.



Significant Accounting Policies for the financial year 2021-22

- 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.

13.4. 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.

13.5. 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.

14. RECEIVABLES

- a) 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.
- b) 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 credit risk of such financial assets.
- c) Impairment on account of expected credit loss is being assessed on a case to case basis in respect of dues outstanding for a significant period of time.

14.1. 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.

15. EMPLOYEE BENEFITS

- a) Gratuity and Provident Fund are Defined Benefit Plans and the liability is provided on the basis of actuarial valuation in respect of eligible employees and is remitted to the trust progressively.
- b) Provision for Earned leave is a Defined Benefit Plan and the liability is provided on the basis of actuarial valuation.
- c) Pension Scheme and Post Superannuation Group Health Insurance Scheme for employees are Defined Contribution Plans and the contribution to the corpus of the same is made by the Company to the respective trust. The Company's liability is limited to the extent of contribution made to these trusts.

16. FOREIGN CURRENCY TRANSACTION/TRANSLATION

a) 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.

b) 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.

c) 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.



Significant Accounting Policies for the financial year 2021-22

17. 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.

18. 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.

19. 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.

19.1 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.

19.2 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.

19.3 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.

20. 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.




Significant Accounting Policies for the financial year 2021-22

21. 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.


22. The functional currency of the Company is Indian Rupee.



(C. B. Ananthakrishnan)

Director (Finance) & CFO

DIN: 06761339



(R. Madhavan)

Chairman & Managing Director

DIN: 08209860



(G. V. Seshha Reddy)

Company Secretary

Place: Bengaluru

Date: 13.05.2022





Notes to the Financial Statements for the year ended March 31, 2022

Note 1 - Plant, Property and Equipment

Note 1A - Gross Block - Plant, Property and Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2022 are as follows:

(₹ in Lakhs)

Particulars	Gross block as at 1 st April 2021	Additions	Reclassification /Adjustment	Disposals	Gross Block As at 31 st March 2022
Own Assets:					
Land -					
- Leasehold	1	0	0	0	1
- Freehold	1947	0	0	0	1947
Buildings	125044	1662	-444	32	126230
Plant and Equipment	227224	9643	-50	715	236102
Furniture and Fixtures	8507	634	0	192	8949
Vehicles	8843	387	0	161	9069
Office Equipment	13325	1528	19	76	14796
Others					
Assets used for CSR Activities	4525	0	0	0	4525
Roads and Drains	5814	95	0	0	5909
Water Supply	3863	1046	0	0	4909
Rail Road Sidings	0	0	0	0	0
Runways	1776	0	0	0	1776
Aircraft/Helicopters	32352	0	0	0	32352
Sub Total	433221	14995	-475	1176	446565
Special Tools	577933	28255	0	0	606188
Total Own Assets:	1011154	43250	-475	1176	1052753
Right -of -Use Asset:					
Land	1267	0	-445	0	822
Buildings	8108	0	0	0	8108
Total Right -of -Use Asset:	9375	0	-445	0	8930
Total:	1020529	43250	-920	1176	1061683

The amount of contractual commitments for the acquisition of Property, Plant and Equipment is disclosed under Clause 3 of Note 49

There is no charge or lien on Property, Plant and Equipment

Refer Clause 14 to 14.7, 55A & 55I of Note 49



Notes to the Financial Statements for the year ended March 31, 2022

Note 1B - Accumulated Depreciation - Plant, Property and Equipment

(₹ in Lakhs)

Particulars	Provision as at 1 st April 2021	Additions	Reclassification / Adjustment	Disposals	Provisions as at 31 st March 2022	Net Block as at 31 st March 2022	Net Block as at 31 st March 2021
Own Assets:							
Land -							
- Leasehold	0	0	0	0	0	1	1
- Freehold	0	0	0	0	0	1947	1947
Buildings	22233	4131	-126	32	26206	100024	102811
Plant and Equipment	106928	18423	-28	652	124671	111431	120296
Furniture and Fixtures	7082	772	0	170	7684	1265	1425
Vehicles	4093	1021	0	101	5013	4056	4750
Office Equipment	10624	1168	76	61	11807	2989	2701
Others							
Assets used for CSR Activities	4525	0	0	0	4525	0	0
Roads and Drains	3830	479	0	0	4309	1600	1984
Water Supply	1930	388	0	0	2318	2591	1933
Rail Road Sidings	0	0	0	0	0	0	0
Runways	1244	83	0	0	1327	449	532
Aircraft/Helicopters	10923	2864	0	0	13787	18565	21429
Subtotal	173412	29329	-78	1016	201647	244918	259809
Special Tools	225594	42059	0	0	267653	338535	352339
Total Own Assets:	399006	71388	-78	1016	469300	583453	612148
Right-of-Use Asset:							
Land	91	21	-31	0	81	741	1176
Buildings	47	270	0	0	317	7791	8061
Total Right -of -Use Asset:	138	291	-31	0	398	8532	9237
Total:	399144	71679	-109	1016	469698	591985	621385

Refer Clause 14.8 of Note 49





Notes to the Financial Statements for the year ended March 31, 2022

Above Includes:	As at 31st March 2022
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 2022
Gross Value of Assets retired from Active Use	1264
Less : Cumulative Depreciated Value of Assets retired from Active Use.	1261
WDV of Assets Retired from Active Use.	3

Note 1 - Plant, Property and Equipment

Note 1A - Gross Block - Plant, Property and Equipment

The changes in the carrying value of property, plant and equipment for year ended 31st March 2021 are as follows:

(₹ in Lakhs)

Particulars	Gross block as at 1 st April 2020	Additions	Reclassification / Adjustment	Disposals	Gross Block As at 31 st March 2021
Land					
- Leasehold	1	0	0	0	1
- Freehold	1947	0	0	0	1947
Buildings	114531	10513	0	0	125044
Plant and Equipment	216151	11283	0	210	227224
Furniture and Fixtures	8173	417	3	86	8507
Vehicles	6568	2414	0	139	8843
Office Equipment	12033	1385	-3	90	13325
Others					
Assets used for CSR Activities	4525	0	0	0	4525
Roads and Drains	5578	236	0	0	5814
Water Supply	3551	312	0	0	3863
Rail Road Sidings	0	0	0	0	0
Runways	1776	0	0	0	1776
Aircraft/Helicopters	32352	0	0	0	32352
Sub Total	407186	26560	0	525	433221
Special Tools	531088	46845	0	0	577933
Total Own Assets:	938274	73405	0	525	1011154
Right -of -Use Asset:					
Land	1267	0	0	0	1267
Buildings	0	8108	0	0	8108
Total Right -of -Use Asset:	1267	8108	0	0	9375
Total:	939541	81513	0	525	1020529

The amount of contractual commitments for the acquisition of property, plant and equipment is disclosed under Clause 3 of Note 49

There is no charge or lien on Property, Plant and Equipment

Refer Clause 14 to 14.7, 55A & 55I of Note 49



Notes to the Financial Statements for the year ended March 31, 2022

Note -1B-Accumulated Depreciation- Plant, Property and Equipment

(₹ in Lakhs)

Particulars	Provision as at 1 st April 2020	Additions	Reclassification / Adjustment	Disposals	Provisions as at 31 st March 2021	Net Block as at 31 st March 2021	Net Block as at 31 st March 2020
Own Assets:							
Land -							
- Leasehold	0	0	0	0	0	1	1
- Freehold	0	0	0	0	0	1947	1947
Buildings	18261	3972	0	0	22233	102811	96270
Plant and Equipment	88313	18825	0	210	106928	120296	127838
Furniture and Fixtures	6352	789	2	61	7082	1425	1821
Vehicles	3369	785	0	61	4093	4750	3199
Office Equipment	9006	1702	-2	82	10624	2701	3027
Others							
Assets used for CSR Activities	4525	0	0	0	4525	0	0
Roads and Drains	3278	552	0	0	3830	1984	2300
Water Supply	1596	334	0	0	1930	1933	1955
Rail Road Sidings	0	0	0	0	0	0	0
Runways	1161	83	0	0	1244	532	615
Aircraft/Helicopters	8059	2864	0	0	10923	21429	24293
Subtotal	143920	29906	0	414	173412	259809	263266
Special Tools	184810	40784	0	0	225594	352339	346278
Total Own Assets:	328730	70690	0	414	399006	612148	609544
Right-of-Use Asset:							
Land	75	16	0	0	91	1176	1192
Buildings	0	47	0	0	47	8061	0
Total Right -of -Use Asset:	75	63	0	0	138	9237	1192
Total:	328805	70753	0	414	399144	621385	610736





Notes to the Financial Statements for the year ended March 31, 2022

Above Includes:	As at 31 st March 2021
Gross Value of Assets with M/s. Midhani	751
Cumulative Depreciation in respect of Assets with M/s. Midhani	751

	As at 31 st March 2021
Gross Value of Assets retired from Active Use	1212
Less : Cumulative Depreciated Value of Assets retired from Active Use.	1210
WDV of Assets Retired from Active Use.	2

Note 2 - Capital Work in Progress

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Buildings	52777	38824	38373
Plant and Equipment	19470	17361	17834
Furniture and Fixtures	0	0	23
Office Equipment	150	7	38
Water Supply	64	102	147
Roads and Drains	0	0	0
Plant and Equipment under Inspection and in Transit	1624	1300	648
Special Tools	20716	8621	16406
Gross Total	94801	66215	73469
Less: Provision for Capital Work in Progress	0	0	0
TOTAL	94801	66215	73469

Refer Clause 8C, 55E & 55F of Note 49 for further disclosures on Capital work in Progress

Note 3 - Investment Property

The changes in the carrying value of investment property for the year ended 31st March 2022 are as follows:

Note 3A - Gross Block - Investment Property

Particulars	(₹ in Lakhs)				
	Gross block as at 1 st April 2021	Additions	Reclassification /Adjustment	Disposals	Gross Block As at 31 st March 2022
Buildings	4	-	-	-	4
Total	4	-	-	-	4

Refer Clause 51 of Note 49



Notes to the Financial Statements for the year ended March 31, 2022

Note 3B - Accumulated Depreciation - Investment Property

(₹ in Lakhs)

Particulars	Provision As at 1 st April 2021	Additions	Reclassi- fication / Adjustment	Disposals	Provisions As at 31 st March 2022	Net Block As at 31 st March 2022	Net Block As at 31 st March 2021
Buildings	1	-	-	-	1	3	3
Total	1	-	-	-	1	3	3

Note 3 - Investment Property

The changes in the carrying value of investment property for year ended 31st March 2021 are as follows:

Note 3A - Gross Block - Investment Property

(₹ in Lakhs)

Particulars	Gross block As at 1 st April 2020	Additions	Reclassification /Adjustment	Disposals	Gross Block As at 31 st March 2021
Buildings	4	-	-	-	4
Total	4	-	-	-	4

Refer Clause 51 of Note 49

Note 3B - Accumulated Depreciation - Investment Property

(₹ in Lakhs)

Particulars	Provision As at 1 st April 2020	Additions	Reclassi- fication / Adjustment	Disposals	Provisions As at 31 st March 2021	Net Block As at 31 st March 2021	Net Block As at 31 st March 2020
Buildings	1	-	-	-	1	3	3
Total	1	-	-	-	1	3	3

Note 5 - Other Intangible assets

The changes in the carrying value of other intangible assets for the year ended 31st March 2022 are as follows:

Note 5A - Gross Block - Other Intangible Assets

(₹ in Lakhs)

Particulars	As at 1 st April 2021	Additions	Adjustment*	As at 31 st March 2022
Licence Fees	136659	6454	0	143113
Computer Software	7191	684	0	7875
Documentation	37768	0	0	37768
Development Expenditure	114010	34770	0	148780
Others	0	0	0	0
Total	295628	41908	0	337536

*The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 6A)



Notes to the Financial Statements for the year ended March 31, 2022

Note 5B - Accumulated Amortization - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1 st April 2021	Amortisation	Adjustment	As at 31 st March 2022
Licence Fees	73265	1474	0	74739
Computer Software	6174	613	0	6787
Documentation	18984	3527	0	22511
Development Expenditure	62972	33694	0	96666
Others	0	0	0	0
Total	161395	39308	0	200703

Note 5C - Impairment Loss - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1 st April 2021	Impairment Loss	Adjustment	As at 31 st March 2022
Licence Fees	0	12781	0	12781
Computer Software	0	0	0	0
Documentation	0	0	0	0
Development Expenditure	39826	400	0	40226
Others	0	0	0	0
Total	39826	13181	0	53007

Note 5 - Other Intangible assets

The changes in the carrying value of other intangible assets for the year ended 31st March 2021 are as follows:

Note 5A - Gross Block - Other Intangible Assets

(₹ in Lakhs)

Particulars	As at 1 st April 2020	Additions	Adjustment*	As at 31 st March 2021
Licence Fees	136443	216	0	136659
Computer Software	6657	534	0	7191
Documentation	37767	1	0	37768
Development Expenditure	69689	12114	32207	114010
Others	0	0	0	0
Total	250556	12865	32207	295628

*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 1 st April 2020	Amortisation	Adjustment	As at 31 st March 2021
Licence Fees	63297	9968	0	73265
Computer Software	5426	748	0	6174
Documentation	13551	5433	0	18984
Development Expenditure	34155	28817	0	62972
Others	0	0	0	0
Total	116429	44966	0	161395



Notes to the Financial Statements for the year ended March 31, 2022

Note 5C - Impairment Loss - Other Intangible assets

(₹ in Lakhs)				
Particulars	As at 1 st April 2020	Impairment Loss	Adjustment	As at 31 st March 2021
Licence Fees				0
Computer Software				0
Documentation				0
Development Expenditure	33441	6385	0	39826
Others				0
Total	33441	6385	0	39826

Note 6 - Intangible Assets under Development

The changes in the carrying value of intangible assets under development for the year ended 31st March 2022 are as follows:

Note 6A - Gross Carrying cost - Intangible assets under Development

(₹ in Lakhs)				
Particulars	As at 1 st April 2021	Additions	Adjustment*	As at 31 st March 2022
Development Expenditure	129640	28219		157859
Total	129640	28219		157859

*The Intangible assets under development has been completed and transferred to other intangible assets: Nil

The amount of contractual commitments for the acquisition of intangible assets is disclosed under Clause 3 of Note 49. Refer Clause 55G & 55H of Note 49 for further disclosures on Intangible assets under development

Note 6B - Accumulated Amortization - Intangible assets under Development

(₹ in Lakhs)				
Particulars	As at 1 st April 2021	Amortisation	Adjustment	As at 31 st March 2022
Development Expenditure	-	-	-	-
	-	-	-	-

Note 6C - Impairment Loss - Intangible assets under Development

(₹ in Lakhs)				
Particulars	As at 1 st April 2021	Impairment Loss	Adjustment	As at 31 st March 2022
Development Expenditure	1013	4462	-	5475
Total	1013	4462	-	5475



Notes to the Financial Statements for the year ended March 31, 2022

Note 6 - Intangible Assets under Development

The changes in the carrying value of intangible assets underdevelopment for year ended 31st March 2021 are as follows:

Note 6A - Gross Carrying cost - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1 st April 2020	Additions	Adjustment*	As at 31 st March 2021
Development Expenditure	119282	42565	-32207	129640
Total	119282	42565	-32207	129640

*The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 5A)

The amount of contractual commitments for the acquisition of intangible assets is disclosed under Clause 3 of Note 49. Refer Clause 55G & 55H of Note 49 for further disclosures on Intangible assets under development

Note 6B - Accumulated Amortization - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1 st April 2020	Amortisation	Adjustment	As at 31 st March 2021
Development Expenditure				
Total				

Note 6C - Impairment Loss - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1 st April 2020	Impairment Loss	Adjustment	As at 31 st March 2021
Development Expenditure	1013			1013
Total	1013			1013

Note 7- Financial Asset - Investments - Subsidiaries & Joint Ventures at Cost less Provision

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
INVESTMENTS AT COST LESS PROVISION (UNQUOTED)			
Investment in Equity Instruments			
1. Investment in Subsidiaries			
Naini Aerospace Limited - 5,00,00,000 (5,00,00,000 PY) Shares of ₹ 10 FV each fully paid	5000	5000	5000
Less Provision for Impairment in value of Investment	5000	4546	3466
Net - Naini Aerospace Limited	0	454	1534
Indo Russian Helicopters Limited (IRHL) 5,05,000 (5,05,000 PY) Shares of ₹ 100 FV each fully paid	505	505	505



Notes to the Financial Statements for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Less Provision for Impairment in value of Investment	122	105	65
Net -Indo Russian Helicopters Limited (IRHL)	383	400	440
Total In Equity of Subsidiaries (1)	383	854	1974
2. Investment in Joint Ventures			
B Ae-HAL Software Ltd-29,40,000 (29,40,000-P.Y) shares of ₹10 FV each fully paid	294	294	294
Less Provision for Impairment in value of Investment	61	0	0
Net -BAe-HAL Software Ltd	233	294	294
Safran HAL Aircraft Engines Private Ltd - 11,40,000 (11,40,000-P.Y) Shares of ₹ 100 F.V. each fully paid	1140	1140	1140
Less Provision for Impairment in value of Investment	0	0	0
Net - Safran HAL Aircraft Engines Private Ltd	1140	1140	1140
Indo Russian Aviation Ltd - 9,36,525 (9,36,525-P.Y) shares of ₹ 10 FV each fully paid	94	94	94
Less Provision for Impairment in value of Investment	0	0	0
Net - Indo Russian Aviation Ltd.	94	94	94
HALBIT Avionics Pvt Ltd -3,82,500(3,82,500-P.Y) Shares of ₹ 100 FV each fully paid	383	383	383
Less Provision for Impairment in value of Investment	383	383	383
Net - HALBIT Avionics Pvt. Ltd.	0	0	0
HAL Edgewood Technologies Pvt Ltd 3,00,000(3,00,000-P.Y) Shares of ₹ 100 FV each fully paid	300	300	300
Less Provision for Impairment in value of Investment	300	300	300
Net- HAL Edgewood Technologies Pvt. Ltd.	0	0	0
SAMTEL HAL Display Systems Ltd-1,60,000 (1,60,000-P.Y) Shares of ₹ 100 FV each fully paid	160	160	160
Less Provision for Impairment in value of Investment	160	160	160
Net - SAMTEL HAL Display Systems Ltd	0	0	0
INFOTECH HAL Ltd - 20,00,000 (20,00,000-P.Y) Shares of ₹ 10 FV each fully paid	200	200	200
Less Provision for Impairment in value of Investment	200	200	200
Net- INFOTECH HAL Ltd.	0	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	3840
Less Provision for Impairment in value of Investment	3840	3840	3840
Net- HATSOFF Helicopter Training Pvt. Ltd.	0	0	0
TATA HAL Technologies Ltd -50,70,000 (50,70,000 P.Y.) Shares of ₹ 10 each fully paid	507	507	507
Less Provision for Impairment in value of Investment	507	507	507
Net- TATA HAL Technologies Ltd.	0	0	0



Notes to the Financial Statements for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
International Aerospace Manufacturing Pvt Ltd - 42,50,000 (42,50,000 - P.Y) Shares of ₹ 100 FV each fully paid	4250	4250	4250
Less Provision for Impairment in value of Investment	855	855	855
Net- International Aerospace Manufacturing Pvt Ltd	3395	3395	3395
Multirole Transport Aircraft Ltd. - 113,46,564 (113,46,564 P.Y.) Shares of ₹ 100 FV each fully paid	11347	11347	11347
Less Provision for Impairment in value of Investment	6678	6678	6678
Net- Multirole Transport Aircraft Ltd.	4669	4669	4669
Helicopter Engines MRO Pvt Ltd - 15,09,986 (5,09,986 P.Y.) Shares of ₹ 100 FV each fully paid	1510	510	510
Less Provision for Impairment in value of Investment	412	387	362
Net- Helicopter Engines MRO Pvt Ltd	1098	123	148
Total In Equity of Joint Ventures (2)	10629	9715	9740
TOTAL (1+2)	11012	10569	11714
Disclosure			
(i) Aggregate amount of Quoted Investment and Market Value.			
(ii) Aggregate amount of Unquoted Investments. (net)	11012	10569	11714
(iii) Aggregate amount of impairment in value of investments	18518	17961	16816

Refer Clause 45B & 45E of Note 49 for further details on Investment in Joint Ventures

Note 7A - Financial Asset - Investments at Cost

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Investments in Structured Entities (UNQUOTED)			
a) HAE Co-operative Society of 25 (25P.Y) Shares of ₹ 100 FV each fully paid*	0	0	0
b) Satnam Apartment Ltd - 41 (41 P.Y) Shares of ₹ 100 each at cost for acquisition of a Flat**	0	0	0
c) Aerospace & Aviation Sector Skill Council (AASSC) - 125 (125 P.Y.) Shares of ₹ 10000 FV each fully paid	13	13	13
d) Defence Innovation Organisation - 50 (P.Y 50) Shares of ₹ 1000 FV each fully paid	1	1	1
Total In Equity of Others (A)	14	14	14
B. Other Investments (UNQUOTED)			
LIC of India (For Funding Vacation Leave)	118388	94912	88331
Total In Other Investments (B)	118388	94912	88331
TOTAL (A+B)	118402	94926	88345

* 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 Nashik division which is rounded off.



Notes to the Financial Statements for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
(i) Aggregate amount of Quoted Investment and Market Value.	-	-	-
(ii) Aggregate amount of Unquoted Investments. (net)	118402	94926	88345
(iii) Aggregate amount of impairment in value of investments	Nil	Nil	Nil

Note 8 - Financial Asset - Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Trade Receivables			
Considered Good - Secured	0	0	0
Considered Good - UnSecured	0	0	0
Receivables which have significant increase in credit risk	0	0	0
Credit Impaired	0	0	0
	0	0	0
Less: Allowance for Doubtful Debts	0	0	0
TOTAL	0	0	0

Note 8A- Financial Asset-Contract Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Contract Assets			
Unbilled Revenue	0	0	0
TOTAL	0	0	0

Note 9- Financial Asset- Loans

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Considered Good-Secured			
a) Loans to Related Parties	0	0	0
b) Others			
Loans and advances to employees	121	153	187
Sub-Total (A)	121	153	187



Notes to the Financial Statements for the year ended March 31, 2022

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
B. Considered Good-Unsecured			
a) Loans to Related Parties	0	0	0
b) Others			
Loans and advances to employees	502	597	769
Sub-Total (B)	502	597	769
C. Loans which have significant increase in credit risk			
Sub-Total (C)			
D. Loans - Credit Impaired			
Sub-Total (D)			
TOTAL (A +B+C+D)	623	750	956

Note 10 - Other Financial Assets

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Claims Receivable Unsecured*			
Receivable - Credit Impaired	14385	19211	22465
	14385	19211	22465
Less: Provision for Doubtful Claims	14385	19211	22465
Sub-Total (A)	0	0	0
B) Security Deposit			
Govt Departments for Customs Duty and for Supplies	12	12	12
Public Utility Concerns	2719	2747	2649
Others	1237	1104	1179
Sub-Total (B)	3968	3863	3840
C. Balances with Bank			
Bank deposit with more than 12 Months maturity**	1	1	1
Sub-Total (C)	1	1	1
D. Others			
Deferred Debts	36361	33775	33812
Sub-Total (D)	36361	33775	33812
TOTAL (A +B +C+D)	40330	37639	37653
*Above balances of Claims Receivable include balances with related parties (Refer Receivables of Clause No.45A(e) of Note 49)	437	778	778
*Above balances of Provision for Doubtful Claims include balances with related parties (Refer Receivables of Clause No.45A(l) of Note 49)	437	778	778
**Fully Earmarked for Committed Liabilities of more than 12 months	1	1	1



Notes to the Financial Statements for the year ended March 31, 2022

Note 11 - Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
The tax effect of significant temporary differences that resulted in deferred tax assets:			
As per last Balance Sheet	5235	47011	47011
Add / (Less): Current Year's Assets	51322	-41776	
TOTAL	56557	5235	47011

Refer Clause 40 A of Note 49 for break-up of Deferred Tax Assets and Liabilities

Note 12 - Other Non - Current assets

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Capital Advances	22200	16328	27148
B. Advance Other than Capital Advances			
Advances against Goods and Service	453	994	337
Advances against Special Tools	0	0	248
Other Advances	840	1037	440
	23493	18359	28173
C. Others			
Balances with Revenue Authorities			
Income tax	139094	34441	19436
Others-under dispute	18843	17808	15134
Prepaid Expenses	34	27	41
TOTAL (A+B+C)	181464	70635	62784

Note 13 - Inventories

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Inventories (At Lower of Cost and Net Realisable Value)#			
(i) Raw Materials and Components	988266	1094149	1025938
Less: Provision for Redundancy	151814	125941	85783
	836452	968208	940155
(ii) Work-in-Progress	525084	585052	827789
Less: Provision for Redundancy	26589	0	0
	498495	585052	827789
(iii) Finished Goods	0	0	0
(iv) Stock-in-Trade	2994	2244	5249
(v) Stores and Spares	33259	33684	36868
Less: Provision for Redundancy	4653	3977	3217
	28606	29707	33651



Notes to the Financial Statements for the year ended March 31, 2022

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
(vi) Loose Tools	10747	9923	10382
Less: Provision for Redundancy	775	1310	1446
	9972	8613	8936
(vii) Construction Materials	53	51	71
Less: Provision for Redundancy	12	8	1
	41	43	70
(viii) Disposable Scrap (at Net Realisable Value)	710	721	804
(ix) Goods under Inspection and in Transit			
Raw material and Components	44718	59950	122291
Stores and Spares	2114	798	1048
Loose Tools	124	106	372
	46956	60854	123711
(x) Inventory - Warranty	14525	15419	19381
Less: Provision for Redundancy	2393	2005	2081
	12132	13414	17300
TOTAL	1436358	1668856	1957665
(#) includes those issued to Sub-Contractors for Job Works	12256	18062	29553
Inter-division transfers in Transit which are not considered for Inter Divisional Sales, included in above balance	56	0	0

Note 14 - Financial Asset- Investments

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
INVESTMENTS AT COST LESS PROVISION (UN-QUOTED)			
TOTAL	0	0	0
Disclosure			
(i) Aggregate amount of Quoted Investment and Market Value.			
(ii) Aggregate amount of Unquoted Investments.	0	0	0
(iii) Aggregate amount of impairment in value of investments			



Notes to the Financial Statements for the year ended March 31, 2022

Note 15- Financial Asset-Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Trade Receivables*			
Considered Good - Secured	0	0	0
Considered Good - Unsecured	464155	566955	1126395
Receivables which have significant increase in credit risk	0	0	0
Credit Impaired	14057	13506	13676
	478212	580461	1140071
Less: Allowance for Doubtful Debts	14057	13506	13676
TOTAL	464155	566955	1126395
*Above balances of trade receivables include balances with related parties (Refer Receivables of Clause No.45A(e) of Note 49). Refer Clause 53 (a) of Note 49 for ageing schedule of Trade Receivables	556	760	914

Note 15A- Financial Asset-Contract Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Contract Assets			
Unbilled Revenue	886218	847624	788523
Less: Allowance for Doubtful Debts	105353	2856	2296
TOTAL	780865	844768	786227

Refer Clause 53 (b) of Note 49 for ageing schedule of Contract Assets
Refer Clause 23 (B) of Note 49

Note 16 - Financial Asset- Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Balances with Bank			
In Current Account	116912	64148	27783
In Short Term Deposits	190000	650000	0
Term Deposits with original maturity of less than 3 months	0	0	0
B. Cheques, Drafts on Hand	2	0	0
C. Cash on Hand	0	0	0
TOTAL (A+B+ C)	306914	714148	27783





Notes to the Financial Statements for the year ended March 31, 2022

Note-17 - Financial Asset- Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Term Deposits with original maturity for more than 3 months but less than 12 months	1127394	2236	1993
Earmarked balances with banks for Unpaid Dividend	53	249	15
TOTAL	1127447	2485	2008

Note 18-Financial Asset- Loans

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Considered Good -Secured			
a) Loans to Related Parties	0	0	0
b) Others	0	0	0
Loans and advances to employees	171	211	282
Sub -Total (A)	171	211	282
B. Considered Good -Unsecured			
a) Loans to Related Parties	0	0	0
b) Others	0	0	0
Loans and advances to employees	635	563	894
Sub -Total (B)	635	563	894
C. Loans which have Significant Increase in credit risk			
Sub -Total (C)			
D. Loans - Credit Impaired			
Sub -Total (D)			
TOTAL (A +B+C+D)	806	774	1176

Note 19- Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Claims Receivable			
Unsecured Considered Good	71015	90465	106994
Receivable which have Significant Increase in Credit Risk	0	0	0
Credit Impaired	16881	9839	9431
	87896	100304	116425
Less: Provision for Doubtful Claims	16881	9839	9431
Sub-Total	71015	90465	106994



Notes to the Financial Statements for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Security Deposit			
Govt Departments for Customs Duty and for Supplies	0	0	8
Public Utility Concerns	40	42	40
Others	660	640	710
Interest Accrued and Due on Investment with LIC of India	0	0	16
Interest Accrued and not Due	21176	1345	108
Current Maturities of Deferred Debt	9583	8543	8234
Share Application Money Paid	0	0	1000
TOTAL	102474	101035	117110
Above balances of Claims Receivable include balances with related parties (Refer Receivables of Clause No.45A(e) of Note 49)	19264	19870	16793
Above balances of Provision for Doubtful Claims include balances with related parties (Refer Receivables of Clause No.45A(I) of Note 49) Refer Clause 43(G) of Note 49	1357	1077	702

Note-20 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Current Tax (Net)	0	0	3531
TOTAL	0	0	3531

Note 21- Other Current Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Advance Other than Capital Advances			
Advances against Goods and Services	224018	91336	109673
Less: Provision for Bad and Doubtful	19	19	19
Other Loans and Advances	740	260	527
Advances to Related Parties*	5675	250	70
Less: Provision for Bad and Doubtful	0	52	52
B. Others			
Prepaid Expenses	2766	2813	2759
Unamortised discount on commercial paper	0	0	1763
Balances with revenue Authorities			
Income tax	0	0	0
Others	0	0	0
Balance with GST Electronic Ledger	47698	44971	14489
Revenue Stamps	0	0	0
Balances in Franking Machine	4	4	3
TOTAL	280882	139563	129213

* Includes advance of ₹ 5640 lakhs towards HAL employees Gratuity fund



Notes to the Financial Statements for the year ended March 31, 2022

EQUITY

Note 22- Equity Share Capital

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Authorised Capital 60,00,00,000 Equity Shares of ₹ 10 each	60000	60000	60000
Issued, Subscribed and Fully Paid up 33,43,87,500 (33,43,87,500 PY) Equity Shares of ₹ 10 each fully paid-up	33439	33439	33439
Par Value per Share (₹)	10	10	10
Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the reporting period			
Opening Equity Shares (Nos.)	334387500	334387500	334387500
Add: Additions during the Year (Nos.)			
Less: Shares Bought Back (Nos.)			
Closing Equity Shares (Nos.)	334387500	334387500	334387500
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	251292407	251292407	300855180
% of Shareholding of President of India and Nominees	75.15%	75.15%	89.97%
Life Insurance Corporation of India	28858712	48382104	23407104
% of Shareholding of Life Insurance Corporation of India	8.63%	14.47%	7.00%
Shares held by promoters at the end of the reporting period			
Promoters Name:			
President of India and Nominees			
No. of Shares	251292407	251292407	300855180
% of total Shares	75.15%	75.15%	89.97%
% Change during the year	0.00%	-16.47%	

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

Note 23- Other Equity

(₹ in Lakhs)		
Particulars	As at 31 st March 2022	As at 31 st March 2021
A. Research & Development Reserve		
Opening Balance	133727	108732
Add: Current Year Transfer	31596	29599
Less: Transfer to General Reserve on utilisation	3985	4604
Closing Balance (A)	161338	133727



Notes to the Financial Statements for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
B. Capital Redemption Reserve		
Opening Balance	14761	14761
Closing Balance (B)	14761	14761
C. General Reserve As per last Balance Sheet	1354875	1227377
(+/-) Surplus Transferred from Statement of Profit and Loss	357986	122894
(+/-) Ind AS Adjustment/Restatement	0	0
Add: Transfer from R&D Reserve	3985	4604
Closing Balance (C)	1716846	1354875
D. Retained earnings - Surplus in the statement of Profit & Loss		
Opening Balance	0	0
Add/(Less): Net Profit / (Net Loss) for the Current Year	508650	323945
Add/(Less): Remeasurement of the defined benefit plans	14687	-71136
Sub total (i)	523337	252809
Less: Appropriations / Allocations		
Transfer to Research & Development Reserve	31596	29599
Interim Dividend (PY - Final Dividend)	133755	100316
Tax on Dividend	0	0
Sub total (ii)	165351	129915
Transfer To General Reserves (i)-(ii)	357986	122894
Closing Balance (D)	0	0
E. Other Components of Equity		
Fair Value through Other Comprehensive Income (FVOCI) (\$)		
Opening Balance	16	-63837
Add/(Less): Additions made during the year	14687	-7283
Add/(Less): Remeasurement of the defined benefit plans	-14687	71136
Closing Balance (E)	16	16
TOTAL (A+B+C+D+E)	1892961	1503379

1. \$ Breakup is given separately in Statement of Changes in Equity



Notes to the Financial Statements for the year ended March 31, 2022

Nature and Purpose of each Reserve:

1 Research & Development Reserve:

Research & Development Reserve is created to bring technological superiority to its products in order to cope with the future technological challenges by transfer of annual contribution of 10% of Operating Profit After Tax. The amount of utilisation for R&D puposes during the year is transferred to General Reserve.

2 Captial Redemption Reserve:

This was created on redemption/buyback of equity shares.

3 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

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Secured			
a) Term Loans			
(i) From Banks	0	0	0
Sub-Total (A)	0	0	0
B. Unsecured			
Sub-Total (B)	0	0	0
TOTAL (A + B)	0	0	0

Note 24 A- Lease Liabilities

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Lease Liabilities	178	174	170
TOTAL	178	174	170

Refer Clause 1 (a) of Note 49 for further disclosures on lease

Note 25- Trade Payables

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Trade Payables			
TOTAL	0	0	0



Notes to the Financial Statements for the year ended March 31, 2022

Note 26- Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Dues to Employees	19	18	19
Deposits	10	17	18
Deferred liabilities	36750	34154	34178
Due to Capital Creditors - Micro enterprises and Small Enterprises	0	0	0
Due to Capital Creditors - other than micro enterprises and small enterprises	0	0	0
Other Liabilities*	15689	15140	20771
TOTAL	52468	49329	54986

*Refer Clause No. 10 of Note 49

Note 27- Provisions

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Provisions for Employee Benefits			
Gratuity	0	0	0
Earned Leave	97614	96197	65883
Others	0	0	0
Sub-Total (A)	97614	96197	65883
B. Others*			
Replacement and Other Charges	15179	12544	14346
Warranty	4700	4032	0
Liquidated Damages	7331	11332	47117
Onerous Contract	0	0	0
Sub-Total (B)	27210	27908	61463
TOTAL (A + B)	124824	124105	127346

*Refer Clause 49 of Note 49 for movement of Provisions

Note 28- Deferred tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
TOTAL	0	0	0

Refer Clause 40 A of Note 49 for break-up of Deferred Tax Assets and Liabilities



Notes to the Financial Statements for the year ended March 31, 2022

Note 29- Other Non current Liabilities

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Advances from Customers (Contract Liability)			
Outstanding Advances from Customers			
Defence*	608833	618072	179433
Others	0	0	0
Sub-Total (A)	608833	618072	179433
B. Milestone Receipt (Contract Liability)			
Defence*	610354	286372	496096
Others	7057	12686	15749
Sub-Total (B)	617411	299058	511845
TOTAL (A+B)	1226244	917130	691278
* includes Advance received against LCA Mark IA	878161	44016	0

Note 30- Borrowings

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Secured Short Term Borrowings:			
a) Loans Repayable on Demand			
(i) From Banks*	0	907	438650
Working Capital Loan-Cash Credit*			
Sub-Total (A)	0	907	438650
B. Unsecured Short Term Borrowings:			
a) Loans Repayable on Demand			
(i) From Banks - Commercial paper	0	0	150000
Sub-Total (B)	0	0	150000
Current maturity of Long Term Borrowings			
TOTAL (A + B)	0	907	588650

Refer Clause No. 35 of Note No.49 for further details on Borrowings

* 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 30 A- Lease Liabilities

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Lease Liabilities	8	8	8
TOTAL	8	8	8

Refer Clause 1 (c) of Note 49 for further disclosures on lease



Notes to the Financial Statements for the year ended March 31, 2022

Note 31- Trade Payables

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Trade Payables*			
A) total outstanding dues of micro enterprises and small Enterprises	4575	5209	4866
B) total outstanding dues of creditors other than micro enterprises and small enterprises	251402	220864	404883
TOTAL	255977	226073	409749
* Above balances of Trade Payable include balances with related parties (Refer Payable of Clause No.45A(e) of Note 49). Refer Clause 54 (a) of Note 49 for ageing schedule of Trade Payables.	12171	9477	6355
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 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Liability for Outstanding Expenses	46697	58475	47404
Deposits	12458	12314	11617
Royalty	6111	5261	5600
Dues to Employees	31613	29978	106612
Current Maturities of Deferred Debts/Liabilities	4678	4182	4047
Due to Capital Creditors - Micro enterprises and Small Enterprises	103	64	172
Due to Capital Creditors - other than micro enterprises and small enterprises	13663	15886	17951
Application Money received from Allotment of Securities and due for Refund	0	0	0
Unpaid Dividend Account**	53	249	15
Others Liabilities*	69648	68573	56007
TOTAL	185024	194982	249425

* Above balances of Other Liabilities include balances with related parties (Refer Payable of Clause No.45A(e) of Note 49).

** No amount is due and outstanding to be transferred to Investor Education and Protection Fund at the year end.

Refer Clause No. 19 of Note No.49 for dues of micro and small enterprises

5597 4644 4744



Notes to the Financial Statements for the year ended March 31, 2022

Note 33- Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Advances from Customers (Contract Liability)			
Outstanding Advances from Customers			
Defence	430963	506698	353706
Others	4226	4272	3841
Sub-total (A)	435189	510970	357547
B. Milestone Receipt (Contract Liability)			
Defence	941864	1063923	816368
Others	62928	80442	81847
Sub-total (B)	1004792	1144365	898215
Advances from Customers (A + B)	1439981	1655335	1255762
C. Other Payables			
Taxes (Other than Taxes on Income)	11634	5954	11689
GST Payable	7181	7111	17368
Others	16688	15268	13637
TOTAL (A+B+C)	1475484	1683668	1298456

Note 34- Provisions

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Provisions for Employee Benefits			
Gratuity	0	3174	24093
Earned Leave	15102	14575	41895
Others	44721	39890	17539
Sub-Total (A)	59823	57639	83527
B. Others*			
Replacement and Other Charges	202675	140728	167401
Warranty	104625	78549	65384
Liquidated Damages	138455	116611	155623
Onerous Contract	0	0	32183
Sub-Total (B)	445755	335888	420591
TOTAL (A + B)	505578	393527	504118

*Refer Clause 49 of Note 49 for movement of Provisions



Notes to the Financial Statements for the year ended March 31, 2022

Note 35- Current tax liability (Net)

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Current tax liability (Net)	79914	42254	58076
TOTAL	79914	42254	58076

Note 36 - Revenue from Operations

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
A. Sale of Products		
(i) Inland Sales		
Finished Goods	737527	856367
Spares	332969	372687
Development	91530	87212
Miscellaneous	33889	34001
Total Inland Sales of Products	1195915	1350267
(ii) Export Sales		
Finished Goods	9415	3251
Spares	4280	18481
Development	118	24
Total Export Sales of Products	13813	21756
Total Sale of Products (A)	1209728	1372023
B. Sale of Services		
(i) Inland Sale of Services		
Repair & Overhaul	1220619	873015
Other Services	2836	2834
Total Inland Sales of Services	1223455	875849
(ii) Export Sale of Services		
Repair & Overhaul	2520	2189
Other Services	463	35
Total Export Sales of Services	2983	2224
Total Sales of Services (B)	1226438	878073
Total Sales (A+B) [For details refer Clause 1(e) of Note 49]	2436166	2250096
C. Other Operating Revenues		
(i) Disposal of Scrap and Surplus / Unserviceable Stores	1228	861
(ii) Provisions no Longer Required*	22108	34723
(iii) Others	2519	2556
Total Operating Revenues (C)	25855	38140
Revenue from Operations (A+B+C)	2462021	2288236

*Refer Clause 49 of Note 49 for movement of Provisions



Notes to the Financial Statements for the year ended March 31, 2022

Note 37- Other Income

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Interest Income		
Short term Deposits / Loans / Others	34657	2009
Sundry Advances - Employees	58	68
Other Deposits	7723	6725
Sub-total	42438	8802
Dividend Income		
Dividend from Non- Current Investments in Joint Ventures	196	111
Other Non-Operating Income		
Gain on Foreign Currency Transaction and Translation	3851	368
Gain on Sale of Property, Plant & Equipment (Net)*	157	12
Gain on Fair Value Adjustment	2130	4159
Interest on Income Tax Refund	26273	4791
Miscellaneous	23589	17546
TOTAL	98634	35789

* Refer Clause 9 of Note 49

Note 38- Cost of materials consumed

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Consumption Of Raw Material, Components, Stores and Spare Parts		
Opening Stock	1143303	1082258
Add: Purchases	782959	879923
Add: Subcontracting, Fabrication and Machining Charges.	26131	27012
Less: Closing stock	1036103	1143303
	916290	845890
Less: Transfer to		
Special Tools and Equipment	27075	45751
Capital Works	3546	0
Development Expenditure	2471	1742
Expense Accounts and Others	7673	6482
	40765	53975
TOTAL	875525	791915



Notes to the Financial Statements for the year ended March 31, 2022

Note 38A- Purchase of Stock-in-Trade

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Purchase of Stock-in-Trade	65668	82116

Note 39- Changes in Inventories of Finished Goods, Stock-in-Trade and Work-In-Progress and Scrap

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress		
Opening Balance		
(i) Finished Goods	0	0
(ii) Work-in-progress	585052	827790
(iii) Stock in Trade	2244	5250
	587296	833040
Closing Balance		
(i) Finished Goods	0	0
(ii) Work-in-progress	525084	585052
(iii) Stock in Trade	2994	2244
	528078	587296
Accretion / (Decretion) -A	-59218	-245744
Change in Disposables Scrap		
Opening Balance	721	804
Closing Balance	710	721
Accretion / (Decretion)-B	-11	-83
TOTAL (A+B)	-59229	-245827

Note 40- Employee benefits expense

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Salaries and Wages	374313	348988
Contribution to Provident Fund and Others	58160	57759
Contribution to Gratuity	8465	9632
Staff Welfare Expenses(Net)	17877	12512
Rent for Hiring Accommodation for Officers	168	211
TOTAL	458983	429102





Notes to the Financial Statements for the year ended March 31, 2022

Note 41- Finance costs

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Interest on Cash Credit	2	13279
Discount on Commercial paper	0	6895
Interest on Lease Liability	11	11
Interest on Financial Liability carried at Amortised Cost	0	0
Interest on Income Tax	5567	5475
Interest on Micro and Small Enterprises	234	219
Interest - Others*	0	32
TOTAL	5814	25911

Refer Clause No. 19 of Note No.49 for dues of micro and small enterprises

*Refer Clause No. 10 of Note 49 for Interest-Others

Note 42- Depreciation and Amortization expense

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
A. Depreciation on Plant, Property and Equipment	29620	29969
B. Amortisation		
Intangible assets- Development Expenditure	33694	28817
Other Intangible assets		
Licence Fees	1474	9968
Computer Software	616	748
Documentation	3524	5433
Special Tools	42059	40784
Sub-Total (B)	81367	85750
TOTAL (A+B)	110987	115719

Note 42A-Impairment Loss

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Impairment Loss on Intangible Asset	17643	6385
TOTAL	17643	6385

Refer Clause No. 48C of Note 49



Notes to the Financial Statements for the year ended March 31, 2022

Note 43- Other expenses

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Shop Supplies	7830	8992
Power and Fuel	14104	13312
Water Charges	5900	4984
Rent for Office Premises etc.	99	96
Travelling (includes Foreign Travel)	3861	2676
Training (includes Foreign Training)	432	513
Repairs:		
Buildings	6255	6278
Plant, Machinery and Equipment	13461	13081
Others	4069	3797
Expenses on Tools and Equipment	2916	3401
Insurance	4020	4043
Rates and Taxes	5754	1321
Postage and Telephones	779	747
Printing and Stationery	635	626
Publicity	700	2106
Advertisement	195	154
Bank Charges	700	761
Loss on Foreign Currency Transaction and Translation	0	0
Legal Expenses	351	423
Auditors' Remuneration:		
For Audit Fee	57	48
For Tax Audit Fee	7	6
For Other Services-Interim Audit & Other Certification fees	87	79
Selling Agents Commission	16	21
Donations	0	0
Handling Charges	173	255
Write Off:		
Stores	1768	2320
Shortages / Rejections	484	899
Others	374	1935
Freight and Insurance	960	947
Corporate Social Responsibility#	7216	7859
Loss on Fair Value Adjustment	2443	4223
Loss on Sale of Property, Plant & Equipment (Net)	0	0
Miscellaneous Operating Expenses (@)	35228	34820
TOTAL	120874	120723
(@) includes Director's Sitting Fees, excluding GST for the current year is ₹ 7 Lakh (For the year ended 31 st March 2021 is ₹ 32 Lakh)	8	39

#Refer Clause No. 55S of Note 49 for further disclosures on Corporate Social Responsibility





Notes to the Financial Statements for the year ended March 31, 2022

Note 44- Direct Input to Work in Progress / Expenses Capitalised

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
A) DIRECT INPUT TO WIP		
Project related Travel	493	212
Project related Training	0	25
Project related other Expenditure	5023	2665
Travel outstation jobs	1	0
Royalty	1820	1374
Foreign Technician Fee	156	908
Ground Risk Insurance	3234	3180
Quality Audit Expenses	4	3
Design and Development	14106	16496
Sundry Direct Charges - Others	340	363
Sub-Total (A)	25177	25226
B) EXPENSES CAPITALISED TO INTANGIBLE ASSET		
Licence Fees	6454	216
Computer software	684	534
Documentation	0	1
Sub-Total (B)	7138	751
TOTAL (A + B)	32315	25977

Note 45- Provisions

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Replacement and Other Charges	78729	21175
Warranty	51544	32561
Redundancy provision - Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials, Inventory - Warranty and Work-in-Progress	56005	43009
Liquidated Damages	74395	43875
Doubtful Debts	105568	1426
Doubtful Claims	7120	3017
Impairment of Investments	557	1145
TOTAL	373918	146208

Refer Clause 49 of Note 49 for movement of Provisions



Notes to the Financial Statements for the year ended March 31, 2022

Note 46- Expenses relating to Capital and Other Accounts

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Expenses allocated to:		
Other Intangible assets	7138	751
Special Tools	1180	1094
Capital Works	1315	181
Development Expenditure	60518	52937
Others	13265	38431
TOTAL	83416	93394

Other Comprehensive Income

Note 47- Items that will not be reclassified to Profit or Loss

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Remeasurements of the defined benefit plans	19627	-9733
TOTAL	19627	-9733

Note 48- Items that will be reclassified to profit or loss

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Exchange differences in translating the financial statements of a foreign operation;	0	0
TOTAL	0	0





Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
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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 75.15%(Previous year - 75.15%) 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 Airforce, Indian Navy, Indian Army 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 20 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 Centers 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(twelve) Commercial Joint Venture Companies(JVCs) in collaboration with leading international aviation and Indian Organizations and 2(two) Subsidiary Companies to grow its operations. Besides, the Company also formed 2(two) Section-8 (non-profit) Companies.

Restatement for the year ended 31 March 2021 and as at 1 April 2020

In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1, 'Presentation of Financial Statements', the Company has retrospectively restated its Balance Sheet as at 31 March 2021 and 1 April 2020 (beginning of the preceding period) and Statement of Profit and Loss for the year ended 31 March 2021 for the reasons as stated in the note no. 49(1)(b)(vi). Reconciliation of financial statement line items which are retrospectively restated are as under:

1(b)(i) Reconciliation of restated items of Balance Sheet as at 1 April 2020

Particulars	Note No.	As previously reported	* Reclassification	As at 01 st April 2020	Restatement as on 01 st April 2020 for prior periods in financial year 2021-22	As restated
ASSETS						
Non-current assets						
(a) Property, Plant and Equipment	1	634459		634459	-23723	610736
(b) Capital work-in-progress	2	85742		85742	-12273	73469
(c) Investment Property	3	3		3		3
(d) Goodwill	4	0		0		0
(e) Other Intangible assets	5	100686		100686		100686
(f) Intangible Assets under Development	6	118269		118269		118269



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

	Particulars	Note No.	As previously reported	*Reclassification	As at 01 st April 2020	Restatement as on 01 st April 2020 for prior periods in financial year 2021-22	As restated
	(g) Financial Assets						
	(i) Investments accounted for using the equity method	7	11714		11714		11714
	(ii) Investments	7A	82301	6044	88345		88345
	(iii) Trade Receivables	8	0		0		0
	(iv) Contract Assets	8A	0		0		0
	(v) Loans	9	4796	-3840	956		956
	(vi) Other Financial Assets	10	33813	3840	37653		37653
	(h) Deferred tax Assets (Net)	11	47011		47011		47011
	(i) Other Non-Current Assets	12	62940		62940	-156	62784
	Current assets						
1(b)(i)	(a) Inventories	13	1945392		1945392	12273	1957665
	(b) Financial Assets						
	(i) Investments	14	0		0		0
	(ii) Trade receivables	15	1123473		1123473	2922	1126395
	(iii) Contract Assets	15A	784173		784173	2054	786227
	(iv) Cash and Cash Equivalents	16	27783		27783		27783
	(v) Bank Balances other than Cash and Cash Equivalents	17	2008		2008		2008
	(vi) Loans	18	1934	-758	1176		1176
	(vii) Other Financial Assets	19	121882	-5286	116596	514	117110
	(c) Current Tax Assets (Net)	20	3531		3531		3531
	(d) Other Currents Assets	21	129057		129057	156	129213
	Total		5320967		5320967	-18233	5302734
	EQUITY AND LIABILITIES						
	Equity						
	(a) Equity Share capital	22	33439		33439		33439
	(b) Other Equity	23	1286519		1286519	514	1287033



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

	Particulars	Note No.	As previously reported	*Reclassification	As at 01 st April 2020	Restatement as on 01 st April 2020 for prior periods in financial year 2021-22	As restated
	LIABILITIES						
	Non-current liabilities						
	(a) Financial Liabilities						
	(i) Borrowings	24	0		0		0
	(ii) Lease Liabilities	24A		170	170		170
	(iii) Trade payables	25	0		0		0
	(iv) Other Financial Liabilities	26	55156	-170	54986		54986
	(b) Provisions	27	127346		127346		127346
	(c) Deferred Tax Liabilities (Net)	28	0		0		0
1(b)(i)	(d) Other Non-Current Liabilities	29	705654		705654	-14376	691278
	Current Liabilities						
	(a) Financial liabilities						
	(i) Borrowings	30	588650		588650		588650
	(ii) Lease Liabilities	30A		8	8		8
	(iii) Trade payables	31					
	A) total outstanding dues of micro enterprises and small Enterprises		4779		4779	87	4866
	B) total outstanding dues of creditors other than micro enterprises and Small Enterprises		404144		404144	739	404883
	(iv) Other Financial liabilities	32	250259	-8	250251	-826	249425
	(b) Other Current Liabilities	33	1302827		1302827	-4371	1298456
	(c) Provisions	34	504118		504118		504118
	(d) Current Tax Liabilities (Net)	35	58076		58076		58076
	Total		5320967	0	5320967	-18233	5302734

* Note: Reclassification/disclosure which has no impact on Profit and loss and retained earnings.



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars						
1(b)(ii)	Reconciliation of restated items of Balance Sheet as at 31.03.2021						
	Particulars	Note No.	As previously reported	*Reclassi- fication	As at 31.03.2021	Restatement as on 31 st March 2021 for prior periods in financial year 2021-22	As restated
	ASSETS						
	Non-current assets						
	(a) Property, Plant and Equipment	1	653908		653908	-32523	621385
	(b) Capital work-in-progress	2	79038		79038	-12823	66215
	(c) Investment Property	3	3		3		3
	(d) Goodwill	4	0		0		0
	(e) Other Intangible assets	5	94407		94407		94407
	(f) Intangible Assets under Development	6	128627		128627		128627
	(g) Financial Assets						
	(i) Investments accounted for using the equity method	7	10569		10569		10569
	(ii) Investments	7A	88345	6581	94926		94926
	(iii) Trade Receivables	8	0		0		0
	(iv) Contract Assets	8A	0		0		0
	(v) Loans	9	4613	-3863	750		750
	(vi) Other Financial Assets	10	33776	3863	37639		37639
	(h) Deferred tax Assets (Net)	11	5235		5235		5235
	(i) Other Non-Current Assets	12	70686		70686	-51	70635
	Current assets						
	(a) Inventories	13	1656033		1656033	12823	1668856
	(b) Financial Assets						
	(i) Investments	14	0		0		0
	(ii) Trade receivables	15	563936	-7991	555945	11010	566955
	(iii) Contract Assets	15A	834616	7991	842607	2161	844768
	(iv) Cash and Cash Equivalents	16	714148		714148		714148
	(v) Bank Balances other than Cash and Cash Equivalents	17	2485		2485		2485
	(vi) Loans	18	1456	-682	774		774
	(vii) Other Financial Assets	19	105771	-5899	99872	1163	101035
(c) Current Tax Assets (Net)	20	0		0		0	
(d) Other Currents Assets	21	139512		139512	51	139563	
Total			5187164	0	5187164	-18189	5168975

Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars						
1(b)(ii)	Reconciliation of restated items of Balance Sheet as at 31.03.2021						
	Particulars	Note No.	As previously reported	*Reclassi- fication	As at 31.03.2021	Restatement as on 31 st March 2021 for prior periods in financial year 2021-22	As restated
	EQUITY AND LIABILITIES						
	Equity						
	(a) Equity Share capital	22	33439		33439		33439
	(b) Other Equity	23	1502216		1502216	1163	1503379
	Non-controlling interest		0		0		0
	LIABILITIES						
	Non-current liabilities						
	(a) Financial Liabilities						
	(i) Borrowings	24	0		0		0
	(ii) Lease Liabilities	24A		174	174		174
	(iii) Trade payables	25	0		0		0
	(iv) Other Financial Liabilities	26	49503	-174	49329		49329
	(b) Provisions	27	120073	4032	124105		124105
	(c) Deferred Tax Liabilities (Net)	28	0		0		0
	(d) Other Non-Current Liabilities	29	930769		930769	-13639	917130
	Current Liabilities						
	(a) Financial liabilities						
	(i) Borrowings	30	907		907		907
	(ii) Lease Liabilities	30A		8	8		8
	(iii) Trade payables	31					
	A) total outstanding dues of micro enterprises and small Enterprises		4698		4698	511	5209
	B) total outstanding dues of creditors other than micro enterprises and Small Enterprises		219917		219917	947	220864
	(iv) Other Financial liabilities	32	196448	-8	196440	-1458	194982
	(b) Other Current Liabilities	33	1689381		1689381	-5713	1683668
	(c) Provisions	34	397559	-4032	393527		393527
(d) Current Tax Liabilities (Net)	35	42254		42254		42254	
Total			5187164	0	5187164	-18189	5168975

* Note: Reclassification/disclosure which has no impact on Profit and loss and retained earnings.



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars			
1(b)(iii)	Reconciliation of restated items of Statement of Profit and Loss for the year ended 31 March 2021			
	Particulars			For the year ended 31 March 2021
	Profit after tax as per previously audited financial statement			323296
	RESTATEMENT ADJUSTMENTS:			
	Revenue recognised on the assets created out of funds received from the customers			14739
	Cost of sales recognised pertaining to the revenue on the assets created out of funds received from the customer			-14739
	Reversal of revenue recognised, equivalent to depreciation charged on the assets funded by the customer, as per earlier policy			-2039
	Reversal of Depreciation charged on customer funded assets.			2039
	Recognition of claims from Insurance Companies for refund of Insurance premium paid			649
	Profit after tax as per Restated Accounts			323945
	Other Comprehensive Income			-7283
	Total Comprehensive Income			316662
	Earning per Equity share			
	As a result of the above-mentioned adjustments, basic and diluted earnings per share for the financial year 2020-21 changed as below:			
1(b)(iv)	Particulars	As previously reported	Adjustments	As restated
	Earnings per Share			
	Basic earnings per Equity Share (in ₹)	96.68	0.20	96.88
	Diluted earnings per Equity Share (in ₹)	96.68	0.20	96.88
1(b)(v)	Particulars	As at 1 April 2020	As at 31 March 2021	
	Equity as previously reported	1319958	1535655	
	Revenue recognised on the assets created out of funds received from the customers	27107	41846	
	Cost of sales recognised pertaining to the revenue on the assets created out of funds received from the customer	-27107	-41846	
	Reversal of revenue recognised, equivalent to depreciation charged on the assets funded by the customer, as per earlier policy	-3384	-5423	
	Reversal of Depreciation recognised as per the earlier policy.	3384	5423	
	Recognition of claims from Insurance Companies for refund of Insurance premium paid	514	1163	
	Equity as per re-stated Accounts	1320472	1536818	



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
	<p>Accounting treatment of assets owned by Customer for its use in specific project:</p> <p>In respect of certain capital items specific to projects have been funded by the customer either upfront or is reimbursed through product cost spread over the duration of the projects. Hitherto these assets were capitalized, and shown under Property, Plant and Equipment. Revenue was recognised to the extent of depreciation on such capitalized assets. The value of assets were adjusted to Advances from Customers, where the Company has no control over the assets and disclosed under explanatory notes to Financial Statement.</p>
1(b)(vi)	<p>An Expert Advisory Committee opinion was sought from The Institute of Chartered Accountants of India for the accounting treatment of assets funded by Customer for its use in specific project. Based on the opinion received, the view taken by the Company that it has control over the assets, recognising revenue towards the consideration received in the form of assets, over the useful life of the asset, to the extent of depreciation provided on such assets are not correct. As per the opinion received from Expert Advisory Committee, the revenue in respect of funds received from the customer for the manufacturing facility should be recognized as or when the control over manufacturing facility is transferred to the customer in line with the requirements of Ind AS 115.</p> <p>As at 01st April 2020:</p> <p>Revenue pertains to previous periods prior to comparative period presented, Revenue and cost to the extent of ₹ 27107 Lakh is recognised in the opening reserve as at 01st April 2020.</p> <p>Revenue and cost recognised to the extent of depreciation, on such assets, pertains to previous periods prior to comparative period presented, now reversed to the extent of ₹ 3384 Lakh in the opening reserve as at 01st April 2020.</p> <p>Consequently, Trade receivables for ₹ 2922 Lakh, Contract Assets for ₹2054 Lakh and Advances from Customers for ₹ 18747 Lakh has been restated based on the terms of payment. Further, Capital Work in Progress, Capital Advance & Capital Creditors pertaining to such assets has been reclassified.</p> <p>For the year ended 31st March 2021:</p> <p>Revenue pertains to comparative period. Revenue and cost to the extent of ₹14739 Lakh is recognised in the Comparative period i.e 2020-21. Revenue and cost recognised to the extent of depreciation on such assets, now reversed by restating the Revenue and depreciation in the Comparative period i.e 2020-21 for ₹ 2039 Lakh.</p> <p>Consequently, cumulative impact on Trade receivables for ₹11010 Lakh, Contract Assets for ₹ 2161 Lakh and Advances from Customers for ₹ 19352 Lakh has been restated based on the terms of payment. Further, cumulative impact on Capital Work in Progress, Capital Advance & Capital Creditors pertaining to such assets has been reclassified.</p> <p>Insurance Premium</p> <p>The provisional insurance premium paid on Aviation Policy was charged off to Profit and Loss Account in the respective years i.e. 2018-19, 2019-20 and 2020-21. On the basis of submission of actual value of Aircraft delivered during the said period, the actual premium has been assessed and excess of provisional premium over the actual premium is recognised and restated accordingly.</p>



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
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Disclosure under Ind AS 116 as lessee: as lessee

Sl. No.	Particulars	31 st March 2022	31 st March 2021
1	depreciation on right-of-use assets for the period ended	291	63
2	interest expense on Lease liabilities for the period ended	11	11
3	total cash outflow for leases for the period ended	7	297
4	additions to right-of-use assets		8108
5	carrying amount of right-of-use assets	8532	9237

One Avro Aircraft (BH 572) is on lease from Indian Air Force for a period of 1 year for an amount of ₹ 228 lakhs. The charges for the same has been accounted as expenditure of ₹ 228 lakhs for the year ended 31st March 2022. The company has option to renew the lease subject to increment of 9% over previous year.

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 51 of Note 49 gives information about the operating leases of Investment Property.

Operating Lease	31 st March 2022	31 st March 2021
Lease income	1481	1312

The Property, Plant and Equipment disclosed under Note 1A includes the following assets given on Operating Lease

Particulars	As at 31 st March 2022				As at 31 st March 2021			
	Gross Block	Accumulated Depreciation	Net Block	Depreciation for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation for the year
Land - Freehold	94		94		94		94	
Buildings - Owned	14	11	3		14	11	3	
Aircraft/ Helicopters	1610	416	1194	81	1610	335	1275	81
Total	1718	427	1291	81	1718	346	1372	81

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	31 st March 2022	31 st March 2021
Less than one year	495	765
One to Two years	357	477
Two to Three years	375	341
Three to Four years	395	358
Four to Five years	130	376
More than Five years	1952	436
Total undiscounted lease payments	3702	2753

Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
	Credit Risk
1(d)	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.

Disaggregation of Revenue as per Ind AS 115

Particulars	For the period ended 31 st March 2022					For the period ended 31 st March 2021				
	Sale of Goods					Sale of Goods				
	Finished Goods	Spares	Development	Miscellaneous		Finished Goods	Spares	Development	Miscellaneous	
1(e) Timing of revenue recognition	Point in time	Point in time	Point in time	Point over time	Point in time	Point in time	Point in time	Point in time	Point over time	Point in time
Revenue by Geography										
INDIA	737527	332969	950	90580	33889	856367	372687	41	87171	34001
REST OF THE WORLD	9415	4280	118			3251	18481	24		
TOTAL	746942	337249	1068	90580	33889	859618	391168	65	87171	34001

Particulars	For the period ended 31 st March 2022			For the period ended 31 st March 2021		
	Sale of Services			Sale of Services		
	Repairs & Overhaul	Others		Repairs & Overhaul	Others	
Timing of revenue recognition	Point in time	Point over time	Point in time	Point in time	Point over time	Point in time
Revenue by Geography						
INDIA	1204208	16411	2836	870775	2240	2834
REST OF THE WORLD	2520	-	463	2189	-	35
TOTAL	1206728	16411	3299	872964	2240	2869

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 1 st April 2021	Additions (net)	Removal (from Opening Balance)	As at 31 st March 2022
2(a) (i) Sales Tax / Entry Tax / GST	1008938	113293	329	1121902
(ii) Service Tax	127359	11217	548	138028
(iii) Customs Duty	25376	4808		30184
Total	1161673	129318	877	1290114

*In terms of Pricing Policy agreed with Indian Defence Customers, prices approved are exclusive of taxes and duties i.e. Sales Tax, GST, 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.



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
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Contingent Liability not acknowledged as Debts(Gross)

Particulars	As at 1 st April 2021	Additions (net)	Removal (from Opening Balance)	As at 31 st March 2022
2(b) (i) Income Tax	18700	80359	271	98788
(ii) Municipal Tax		15210		15210
(iii) Others	52375	6336	16886	41825
Total	71075	101905	17157	155823

Hitherto the Company was claiming that the factory land and incidental uses are not subject to property tax by Bruhath Bangalore Mahanagara Palike(BBMP). The Joint Commissioner, BBMP, Mahadevpura by his order dated 13.08.2021 did not accept the contention and directed the Assistant Revenue officer to make an assessment order after giving opportunity to the Company.

The officer, suo moto raised a demand of ₹ 20253 lakh for the FY 2008-09 to 2021-22 without passing an order consisting of property tax ₹ 8268 Lakh and interest thereon ₹11985 Lakhs.

The Company has filed an appeal before the City Civil Court, Bangalore to set aside the demand notice and the appeal is pending.

Pending disposal of the appeal and without prejudice to its grounds under writ petition, pursuant to legal advice the Company has recognized ₹ 5043 Lakhs property tax based on self-assessment basis.

Particulars	As at 31 st March 2022	As at 31 st March 2021
2(c) Guarantees excluding financial guarantees	-	300

Particulars	As at 31 st March 2022	As at 31 st March 2021
Commitments		
Estimated amount of contracts remaining to be executed and not provided for:		
3 on Capital Account	136154	119169
Total	136154	119169

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.

Working Capital Facilities

4	The total Cash Credit limits ₹ 400000 lakhs including ₹ 240000 lakhs of Commercial Paper and Corporate Loan of ₹183000 lakhs (Previous year - ₹ 1000000 lakhs including ₹ 480000 lakhs of Commercial Paper) 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.
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Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars		
Value of Imports calculated on CIF basis:			
	Particulars	For the period ended 31st March 2022	For the period ended 31st March 2021
5	(i) Raw Materials	322954	382959
	(ii) Components and Spares	315604	306769
	(iii) Capital Goods	3691	6865
	(iv) Special Tools	14752	31157
	Total	657001	727750
Raw Materials, Spare Parts and Components consumed :			
6	(i) Imported (including Customs Duty)	685951	627875
	(% to total)	74.86	74.23
	(ii) Indigenous	230339	218015
	(% to total)	25.14	25.77
	Total (Gross)	916290	845890
	(Total %)	100	100
Expenditure in Foreign currency on account of :			
7	(i) Royalty	1040	1575
	(ii) License Fee	6450	303
	(iii) Documentation		
	(iv) Professional, Consultancy and Foreign Technician Fees	412	912
	(v) Foreign Travel	78	258
	(vi) Liason Office Abroad	325	353
	(vii) Others	223	379
	Total	8528	3780
Earnings in Foreign Exchange :			
7A	(i) FOB value of exports made by the Company	13813	21756
	(ii) Services	2983	2224
	Total	16796	23980
	Particulars	As at 31st March 2022	As at 31st March 2021
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.		
	Opening Balance	158018	143279
	Additions	14339	14739
	Deletions	-	-
	Closing Balance	172357	158018
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.		



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars		
8C	Capital Work-in-progress	As at	As at
		31st March 2022	31st March 2021
	Opening Balance	66215	73469
	Additions	45346	37620
	Deletions	16760	44874
	Closing Balance	94801	66215
9	Particulars	For the period ended	For the period ended
		31st March 2022	31st March 2021
	Profit on Sale of Property, Plant & Equipment	157	12
	Loss on Sale of Property, Plant & Equipment	-	-
	Net (Note 37 - Other Income & Note 43 - Other Expenses)	157	12
10	The Company has received a sum of ₹ 13229 lakhs (Previous year - ₹ 13229 lakhs) from Ministry of Defence (MoD), Government of India (GOI) towards investment by the Company in Multirole Transport Aircraft Limited (MTAL). Out of the above, the Company has till date invested a sum of ₹ 11347 lakhs (Previous year - ₹ 11347 lakhs). The balance of ₹ 1882 lakhs has been paid during the year 2020-21. Interest @ 6.85% has been provided on the unutilised portion up to the date of repayment ₹ 3326 lakhs (Previous year - ₹ 3326 lakhs) included in other financial liabilities (refer clause no. 45B).		

The aggregate amount of Research and Development Expenditure recognised as expenses during the period is as below:

11	Expenditure in R&D included in :	For the period ended	For the period ended
		31st March 2022	31st March 2021
	Raw Material Consumption	42898	36287
	Direct Expenses	18585	18586
	Salaries and Wages	64576	62845
	Other Expenses	13821	12971
	Depreciation & Amortisation	35618	31368
	Impairment	4862	6329
	Provisions	16331	354
	Total R & D Expenditure	196691	168740

R&D Corpus

- 12 Board has approved the creation of R&D Corpus (excluding customer funded R&D) with an annual contribution of 10% of Operating Profit After Tax (PAT).

Indigenization Corpus

- 13 Notification on Policy for Indigenization of Components and spares used in Defence platforms for DPSUs/OFB was issued on 8th March 2019.
- As the guidelines from Department of Defence Production (DDP) regarding modalities has not been received as on 31st March 2022 no provision has been made during this period.



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars	As at 31 st March 2022	As at 31 st March 2021
14	Particulars		
	Total Land held (in acres). (Refer Note -1A)	12042.726	12042.753

		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	Land	304.490	286	304.490	286
14.2	Land handed over/earmarked to the Government / other agencies pending execution of instruments of transfer	FMD/ Hyderabad/ Koraput	Land	162.549	56	160.040	56
14.3	Land given on lease to the Government / other agencies	FMD/ Nasik/ Koraput/ Hyderabad/ Lucknow /Korwa /Kanpur	Land	1107.544	94	1105.775	94

14.4

The Company's Barrackpore Division is in possession of 22.51 acres (Previous year - 22.51 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 ₹ 34.50 Lakhs (Previous year - ₹ 34.00 Lakhs) has been made. The transfer of the land is being pursued with Defence Estate Officer, Kolkata.

The above does not include 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 Division.

Land(Right-of-Use) under Property Plant and Equipment includes land taken on lease for establishing a unit at Kasargod at a cost of ₹ 708 lakhs for 200 acres (Previous year - ₹ 708 lakhs for 200 acres). 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 for 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 KINFRA. However 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 ₹ 14.76 lakhs remitted by HAL towards 4.171 acres of land will be refunded and necessary corrections are to be made in the lease deed to effect the changes. Awaiting action from KINFRA.

Land under 14.3 include 12 acres of land given under 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.

Land(Right-of-Use) under Property Plant and Equipment includes land (0.273 acres) taken on lease for Liason 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 14.3 include 38.68 acres of land given under lease to M/s Ordnance Factory Board(OFB), out of which 8.65 acres has been sub-leased to M/s Indo-Russian Rifles Private Limited (IRRPL) at an annual rent of ₹1 per annum.



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
	<p>a) Facilities Management Division (FMD) is holding 2117.367 acres (Previous year - 2117.367 acres) land, out of which free hold land of 2096.267 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, Devanagere, 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 (BEML).</p> <p>b) Titles to land are not in the name of the Company in respect of 30 survey numbers totalling to 72.675 acres (Previous year - 72.675 acres) at FMD Division, However, Records of Tenancy Certificate is available.</p> <p>c) An amount of ₹ 3119 lakhs (Previous year - ₹ 2967 lakhs) towards cumulative Lease Rental charges with various parties has not been considered in the books of accounts of FMD, pending dispute settlement.</p>
14.5	<p>d) DIPAM has communicated the Institutional framework for monetization of the assets of the CPSE's, approved by Cabinet in its meeting dated 28th February 2019.</p> <p>In this regard, approval has been given by the Board in its 439th Meeting held on 13th November 2020 for Monetization of 1.45 acres of land at Okalipuram, Bengaluru for forwarding the proposal to DDP for approval / further action by DDP/DIPAM. HAL during November 2020 referred the proposal to MoD. MoD vide letter dated 8th January 2021 communicated that the DIPAM has taken note of the asset monetisation plan and indicated that HAL may take action to process the case further after taking necessary approval of competent authority as per extant guidelines. FMD division further processing the case.</p> <p>e) Land at Nasik Division includes 0.052 acres (Previous year - 0.052 acres) of land encroached by 9 persons.</p> <p>f) Further, about 50.21 acres (Previous year - 50.21 acres) of land belonging to the Company's Koraput Division is encroached upon by the nearby villagers for cultivation.</p> <p>g) Land at Corporate office includes 711.22 sq.mt (Previous year - 711.22 Sq.mt) of land 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 (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, the Company is seeking adjournment on account of discussion between parties for settlement. 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 sqm has been conveyed back to HAL through Deed of transfer. Compensation amount for remaining area, i.e. 272.94 Sq. mt. is yet to be received by the Company. Accordingly, further necessary actions are being taken by the BMRCL / KIADB in the matter. HAL 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.) to HAL. As the matter is subjudice, no adjustment has been made in the Books.</p>
14.6	<p>Land under 14.1 does not include 374.73 acres (Previous year - 374.73 acres) of the land was acquired by State Government of Uttar Pradesh and possession was handed over to HAL by District Land Acquisition Officer. The factory area 54.30 acres was transferred during 1973 from Indian Air Force to HAL. As per the legal position, both 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. A transfer of the title of land, thus, required no registration. The transfer of land by State of Uttar Pradesh and Indian Air Force to HAL need not require any registration as this transfer is exempted by the Government Grants Act.</p> <p>Land under 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.</p>



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
14.7	a) Approval has been given by the Board for acquiring 7.41 acres of land at Sattari Goa for undertaking MRO activity.
	b) Approval has been given by the Board for acquiring 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) Approval has been given by the Board for acquiring 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.
14.8	One Hawk-i Aircraft has been used by Aircraft Division for Marketing and Testing Activities. The useful life of the Hawk-i Aircraft is technically assessed to be 5 years from 2018-19, accordingly the depreciation has been provided @ 20% per annum.

	Particulars	For the period ended 31 st March 2022	For the period ended 31 st March 2021
15A	Sales for the period includes deliveries for which amendment to firm task is awaited from the customer.	15,664	7,467
15B	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. Delivery of the items to the customers are generally within three weeks from the date of acceptance. However, during the year ended 31.03.2022, due to COVID 19 Pandemic, there has been a delay in dispatching spares of ₹ NIL lakhs (Previous year - ₹2243 lakhs) to the Customers within three weeks from the date of acceptance.		
15C	Against anticipated contract for LUH project ₹ 332 lakhs (Previous year - ₹ NIL lakhs) has been accounted as Work in Progress.		
15D	Sales includes ₹127600 lakhs of differential sale on finalization of fixed price quotation for the years from the Financial Year 2016-17, approved by the Ministry of Defence.		
16	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.		

	Particulars	As at 31 st March 2022	As at 31 st March 2021
17A	The total inventory does not include materials belonging to customers but held by the Company on their behalf	90076	72048
17B	Claims Receivable(Note 19) includes ₹ 1603 lakhs (Previous year - ₹1603 Lakhs) settled under Sabka Saath Sabka Vikas scheme, is fully reimbursable by customer as per terms of pricing policy with Defence Services.		

DIVIDEND POLICY:

18A	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 27 th 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.
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Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars		
	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.		
	Particulars	As at 31 st March 2022	As at 31 st March 2021
18B(i)	Dividend paid to Resident shareholders - President of India and nominees (including Interim Dividend)	100517	75388
18B(ii)	Dividend paid to Resident shareholders - Other than President of India and nominees (including Interim Dividend)	28254	24327
18C	The Company as at 31 st March 2022, 3411 Shareholders (31.03.2021 - 2728 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)	4984	601
18D	Final Dividend: (a) The amount of dividend proposed to be distributed to Equity share holders		
	Particulars	As at 31 st March 2022	As at 31 st March 2021
	The Information regarding dues to Micro and Small Enterprises*		
	1. The Principal and the Interest due thereon		
	a) Principal	4085	4914
	b) Interest	593	359
	2. The amounts paid by the Company beyond the appointed day during the year ended		
	a) Principal	6505	4660
	b) Interest		
19	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	593	359
	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.	234	219
* 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.			



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
20	<p>HAL has initiated criminal proceedings against the accused in 2011-12 and during 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 and Shri Krishna Souharda credit Co-operative Limited for ₹102 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.</p> <p>The Hon'ble Court has passed the judgment and decree in favor of HAL by awarding ₹289 Lakhs along with interest. Out of which to the extent of ₹ 148 lakhs along with interest and the legal expenditure to be retained by HAL and the balance amount to be re-imbursed to SBI as per MOU signed between HAL and SBI. HAL has filed and Execution petition No.COM.EX/100/2021 dt. 03.03.2021 on defendants for recovery of ₹597 Lakhs along with interest and other charges. The Court has issued summons to the accused and the case is being dealt by HAL legal counsel for recovery of the amount.</p>
21	<p>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), Bhubaneswar. 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.</p>
22	<p>The Company is having the Multiple Business Activities. Operating Cycle is determined by Divisions based on Individual business activity.</p>
23A	<p>The Company's IJT Division is primarily engaged in production of Intermediate Jet Trainer (IJT) Aircraft. Contract for supply of 12 Limited Series Production of IJT Aircraft with IAF is pending for fulfillment of certain Parameters as required by the Customer. Completion of all parameters required by the Customers will take some more time after which delivery of 12 IJT LSP will start. As per the Article 5.2 of 12 LSP IJT Contract, Stores to be supplied under this contract shall be new i.e. not manufactured before and shall incorporate all the latest improvement and modification thereto. Therefore, Parts manufactured and lying in Inventory could not be used for delivery of ultimate product to the customers at this stage. Accordingly, Work in progress of ₹ 26589 Lakhs lying in the Books of IJT Division as on 31.03.2022 has been fully provided for in line with Company's accounting procedure.</p> <p>Similarly, Kanpur Division of HAL has received order for supply of Series production of 72 IJT which will start after completion of supply of 12 IJT by IJT LSP Division. Accordingly, Net realisable value of Stock in Trade and Finished Goods of valuing ₹ 5705 Lakhs in the Books of Lucknow and Hyderabad Division has been considered as NIL in the Books of Lucknow and Hyderabad Division as on 31.03.2022.</p>
23B	<p>While the Company is pursuing actively with Ministry of Defence, for the approval of the price variation to change order in LCA-IOC contract which is pending for approval, out of prudence, provision for ₹99025 lakhs is recognised in the Financial Statements 2021-22.</p>
24	<p>The Company's Aircraft Division is primarily engaged in the production of Aircraft. The division is manufacturing airframe structure of LCA(IOC) and FOC offloaded by LCA division along with other activities under Task / RMSO issued by Defence Services. The loss is due to the non-absorption of overheads commensurate to the workload. The loss of the division reduced compared to the previous year. The Division will generate more revenue in the coming years to reduce the loss.</p> <p>However, considering the LCA production program in ensuing years, the division will be a profit generating unit and no impairment is considered necessary</p>



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars																																																				
	Seasonality of business :																																																				
25	The Company experiences cyclicity 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 signaling out certificate/certificate of conformity 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 signaled out by customers’ inspector with fitment of Cat-B items taken on Loan, in cases of non availability of Cat-A item. As the aircraft is flight worthy and the customers have accepted the same, the sales are accounted, consistently, on the basis of Signaling 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 97% of the Company's turnover, around 97% of Trade receivables and Contract Assets, around 51% 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	<p>Sales, based on Accounting Policy of the Company, is accounted on issuance of Signaling 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</p> <table><tr><th rowspan="3">Year</th><th rowspan="3">Sales (₹ in lakhs)</th><th colspan="8">Value of the Aircraft / Helicopters yet to be ferried out</th><th rowspan="3">% of Sales</th><th rowspan="3">Date of approval of Accounts</th></tr><tr><th colspan="2">ALH</th><th colspan="2">LCH</th><th colspan="2">LCA</th><th colspan="2">Total</th></tr><tr><th>Qty.</th><th>Value</th><th>Qty.</th><th>Value</th><th>Qty.</th><th>Value</th><th>Qty.</th><th>Value</th></tr><tr><td>2020-21</td><td>2250096</td><td></td><td></td><td>3</td><td>33883</td><td></td><td></td><td>3</td><td>33883</td><td>2%</td><td>28.06.2021</td></tr><tr><td>2021-22</td><td>2436166</td><td>5</td><td>52833</td><td>3</td><td>33509</td><td>6</td><td>114995</td><td>14</td><td>201337</td><td>8%</td><td>13.05.2022</td></tr></table>	Year	Sales (₹ in lakhs)	Value of the Aircraft / Helicopters yet to be ferried out								% of Sales	Date of approval of Accounts	ALH		LCH		LCA		Total		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	2020-21	2250096			3	33883			3	33883	2%	28.06.2021	2021-22	2436166	5	52833	3	33509	6	114995	14	201337	8%	13.05.2022
Year	Sales (₹ in lakhs)			Value of the Aircraft / Helicopters yet to be ferried out										% of Sales	Date of approval of Accounts																																						
				ALH		LCH		LCA		Total																																											
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value																																												
2020-21	2250096			3	33883			3	33883	2%	28.06.2021																																										
2021-22	2436166	5	52833	3	33509	6	114995	14	201337	8%	13.05.2022																																										

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.



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
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.
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 ₹ 15923 Lakhs (Previous year - ₹ 15542 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 5 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, ₹ 15923 lakhs has been impaired (Previous year - ₹15542 lakhs).
30B	<p>HTT 40 Project: The Company has undertaken the design and development of Hindustan Turbo Prop Trainer Aircraft (HTT- 40). Taking into the capability of the proposed Turbo Prop Aircraft, market studies, upgrade functionality etc. requirement of 290 Aircraft (70 Aircraft for IAF and 220 Aircraft for other customers) has been projected by the Company.</p> <p>The Company continues to fund the HTT Design and Development program.</p> <p>Hence the expenditure of ₹ 2444 lakhs (Previous year - ₹3493 lakhs) has been treated as Development Expenditure and accounted under Intangible Assets under Development</p>
30C	Special Tools includes ₹ Nil Lakhs (31.03.2021 - ₹434 lakhs) towards COMPASS Project at Bharat Electronics Limited (BEL), on behalf of MRO Division against which Company derives future economic benefits for repair of electro optical pods.
31A	One upgraded Mirage 2000 Aircraft crashed during customer acceptance flight at HAL Airport, Bangalore on 1 st February 2019. HAL has taken an insurance policy for ₹ 3412 lakhs for HAL efforts and material used in repair / overhaul, and preferred the claim with the Insurance company for ₹ 3447 lakhs. An amount of ₹ 3181 lakhs has been advised for payment by Insurance Company after deducting 1% policy Administration charges (Claim admitted ₹ 3215 lakhs less ₹ 34 lakhs), the disbursement is awaited.
31B	DDP/MoD Paid Advance of ₹ 8800 lakhs to HAL towards conducting Def Expo-2022.The event got postponed while HAL had incurred expenditure of ₹ 3200 lakhs. Pending completion of audit of expenses by the O/o PCDA Bangalore, the balance of ₹ 5600 lakhs is shown under note-32 Other financial liability.



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
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Financial instruments by category

(a) The carrying value and fair value of financial instruments by each category as at 31st March 2022 were as follows:

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	118402			118402	118402
(ii) Loans	1429			1429	1429
(iii) Other financial assets	142804			142804	142804
(iv) Trade receivables	464155			464155	464155
(v) Cash and Cash equivalents	306914			306914	306914
(vi) Bank balances other than (v)	1127447			1127447	1127447
(vii) Contract Assets	780865			780865	780865
Liabilities:					
(i) Borrowings					
(ii) Trade payables	255977			255977	255977
(iii) Other financial liabilities	237492			237492	237492

(b) The carrying value and fair value of financial instruments by each category as at 31st March 2021 were as follows:

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	94926			94926	94926
(ii) Loans	1524			1524	1524
(iii) Other financial assets	138674			138674	138674
(iv) Trade receivables	566955			566955	566955
(v) Cash and Cash equivalents	714148			714148	714148
(vi) Bank Balances other than (v)	2485			2485	2485
(vii) Contract Assets	844768			844768	844768
Liabilities:					
(i) Borrowings	907			907	907
(ii) Trade payables	226073			226073	226073
(iii) Other financial liabilities	244311			244311	244311

(c) Interest income/(expenses), gains/(losses) recognised on financial assets and liabilities:

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
(i) Financial assets at amortised cost		
- Interest income from bank deposits	34657	2009
- Interest income from other financial assets	7781	6793
- Gain/(Loss) on amortisation of financial assets	2130	4159
(ii) Financial liabilities at amortised cost		
- Gain/(Loss) on amortisation of financial liabilities	-2443	-4223

Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
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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.

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 93% (31st March 2021 - 94%) 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 31 st March 2022	69231	32680	32284	29997	34422	265542	464155
Net carrying amount as at 31 st March 2021	156391	52588	29423	52038	46843	229671	566955

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



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
	<p>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.</p>
33	<p>e) Market risk:</p> <p>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.</p> <p>f) Risk Mitigation Process:</p> <p>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.</p> <p>g) COVID-19 Impact</p> <p>Current year Impact:</p> <p>Second wave of Covid-19 has forced the Company to declare for a phased lockdown at various Divisions on substitution basis during April and May 2021. The employees have put in additional hours for the hours lost during lockdown period. The lost man hours was recovered in June and July 2021. The Company has shown improved performance in the last three Quarters (July – March 2022). Hence, there is no significant impact during the year ended 31st March 2022.</p> <p>Anticipated Future Impact:</p> <p>Based on the information available (internal as well as external) up to the date of approval of this financial result, Company expects to recover the carrying amount of Intangible assets, Inventories, Property, Plant and Equipment's, Lease, Financial Instruments, Trade Receivables etc. Efforts are being made to minimize the impact. The Company will continue to closely monitor the developments, the future economic and business outlook and its impact on Company's future financial statements with a view to minimize the Covid impact.</p>



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
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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.

- 34 The Company monitors capital by using debt equity ratio, which is borrowings divided by Equity.

Particulars	As at 31 st March 2022	As at 31 st March 2021
Debt		907
Equity	1926400	1536818
No. of times	0.00:1	0.00:1

No changes were made in the objectives, policies or processes for managing capital during the period ended 31st March 2022 and 31st March 2021.

Borrowing Cash Credit (Note - 30)

35	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

UN-HEDGED FOREIGN CURRENCY EXPOSURE

	As at 31 st March 2022		As at 31 st March 2021	
	Foreign Currency	Amount in INR (in lakhs)	Foreign Currency	Amount in INR (in lakhs)
36	RECEIVABLES			
	GBP	260611	255	16441
	EURO	285965	238	3997088
	USD	7858820	5890	5257645
	RBL	299562	3	72566
	PAYABLES			
	GBP	39246377	39591	23570247
	EURO	56583103	48623	33736674
	USD	121772511	93122	106996117
	CHF	122439	101	462908
	JPY	165750000	1043	207628783
	CAD	657158	404	1399



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
37	The Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23 rd 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.

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.

	31 st March 2022	31 st March 2021
Share of profit from Joint Working Groups of the Company with Air India and CONCOR:		
AIJWG	168	139
HALCON	8	4
Total	176	143

Disclosure with regard to Joint Working Group

39	Name of the Joint Working Group	AIJWG		HALCON	
		31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
	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	2251	2078	420	402
	Non-Current Assets - Company's share	-	-	166	160
	Current Assets - Company's share	2251	2078	254	242
	Income - Company's Share	221	182	163	143
	Expenditure - Company's Share	53	43	155	139
	Profit / (Loss) Company's Share	168	139	8	4
	Contingent Liability	-	-	-	-

Break-up of Deferred Tax Liabilities and Assets are given below:

(a) As at 31.03.2022

	Particulars	As at 1 st April, 2021	Additions / (reversals) in Income statement	Additions/ (reversals) recognized in Equity	As at 31 st March, 2022
40A	Deferred Tax Liability				
	Tangible Assets	11767	846		12613
	Intangible Assets	52149	2744		54893
	Special Tools and Equipment	88677	-3475		85202
	Recognition of revenue in relation to LCA (due to modification of Contract)	884	0		884
	Interest on Income Tax Refund		6612		6612
	TOTAL	153477	6728		160205



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars				
	Particulars	As at 01 st April 2021	Additions / (reversals) in Income statement	Additions/ (reversals) recognized in Equity	As at 31 st March 2022
	Deferred Tax Asset				
	Provision for Accrued Leave Salary for Note -27 & Note -34	27879	489		28368
	Provision fo Replacement charges, Warranty, Raw Material, Doubtful debts, Claims	85162	54462		139624
	Provision for onerous contract and Liquidated Damages(Note -27 and Note -34)	32201	4490		36691
	Other design sales and wage revision and Recognition of sales with respect to Performance Related Pay and Wage Revision	1159	0		1159
	OCI Items	12309	-1390		10919
	TOTAL	158710	58050		216762
	Net Deferred Tax Assets	5235	51322		56558
	(b) As at 31.03.2021				
	Particulars	As at 1 st April 2020	Additions / (reversals) in Income statement	Additions/ (reversals) recognised in Equity	As at 31 st March 2021
	Deferred Tax Liability				
40A	Tangible Assets	13671	-1904		11767
	Intangible Assets	50006	2143		52149
	Special Tools and Equipment	87151	1526		88677
	Recognition of revenue in relation to LCA(due to modification of Contract)	884	0		884
	Gratuity & PF	4547	-4547		
	TOTAL	156260	-2782		153477
	Deferred Tax Asset				
	Provision for Accrued Leave Salary for Note -27 & Note -34	27125	754		27879
	Provision for Replacement charges, Warranty, Raw Material, Doubtful debts, Claims	86585	-1423		85162
	Provision for onerous contract and Liquidated Damages (Note -27 and Note -34)	59125	-26924		32201
	Wage Revision	16596	-16596		
	Other design sales and wage revision and Recognition of sales with respect to Performance Related Pay and Wage Revision	1159	0		1159
	OCI Items	12679	-370		12309
	TOTAL	203269	-44559		158710
	Net Deferred Tax Assets	47011	-41776		5235

40A



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars	For the period ended 31 st March 2022	For the period ended 31 st March 2021
	Particulars		
	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	523115	427738
	Enacted tax rates	25.168%	25.168%
	Expected tax expense/(benefit)	131658	107653
	Effect of :		
	Deductible expense for tax purpose:		
	Expenditure on Scientific Research u/s. 35		
	Other Deductible Expenditure	3467	76
	Provisions for Warranty, Replacement, Onerous Contracts, Doubtful Debts, Claims & Materials etc.(Net)		18
40B	Non-deductible expenses for tax purposes:		
	Sustainable Development and Corporate Social Responsibility	1816	1978
	Impairment of long term investments	140	
	Other Non Deductible Expenses		
	Earlier Year Tax	-119273	-4933
	Diminution provision for long term investments		288
	Taxation impact on Ind AS Adjustment	79	16
	Gratuity and PF	-3550	-1485
	Rounding off	128	182
	Business Loss		
	Tax Expense	14465	103793
	Amount of Income Tax relating to each component of OCI:		
	Remeasurement of Defined Benefit Plans	4940	-2450
	Exchange Differences in translating the financials statements of a foreign Operations		
41	Pursuant to the Orders passed for the Assessment years 2007-08, 2010-11 to 2015-16, giving effect to the orders of the Appellate authority, CY ₹ 119273 lakhs (PY ₹ 4933 lakhs for the Assessment years 2005-06 and 2006-07) provision no longer required is credited under Tax expense and consequent interest income of CY ₹ 26273 lakhs (PY ₹ 4791 lakhs) is included in other income. Pending passing of Revision order by the Assessing officer, giving effect to the Income Tax Appellate Tribunal Orders for AY 2011-12 to AY 2014-15 estimated refund of ₹ 107329 lakhs and the interest thereon ₹ 41175 lakhs is not recognised and will be given effect in the year in which the revision order is passed by the Assessing Officer.		



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars		
	Particulars	As at 31 st March 2022	As at 31 st March 2021
42A	Earned Leave		
	The Actuarial Liability of Earned Leave of the employees of the Company for the period ended	112716	110772
	Discounting Rate	7.30%	6.80%
	Salary escalation rate	8.00%	8.00%
	Retirement Age	60 Years	60 Years
	Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
42B	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 PF and Family Pension	28472	29281
42C	Pension & Medical		
	During the period, the Company has recognized the following amount in the Statement of Profit and Loss account		
	Defined Contribution Plan		
	Contribution to Pension	16342	15846
	Contribution to Medical	13346	12632
43	<p>Provision for Gratuity and Earned Leave has been made based on Actuarial Valuation. The date of Actuarial valuation is 31st March 2022.</p> <p>Employee Benefits:</p> <p>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.</p>		
43A	<p>Gratuity:</p> <p>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.</p> <p>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:</p>		



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
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Gratuity:

Analysis of Defined Benefit Obligation:

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:

	Period Ended	
	31 st March 2022	31 st March 2021
DBO in respect of non vested employees	606	534
DBO in respect of vested employees	167323	176418
Total defined benefit obligation	167929	176952

The component of the defined benefit obligation which is attributable to future salary increases is shown in the table below:

	Period Ended	
	31 st March 2022	31 st March 2021
Defined benefit obligation without effect of projected salary growth	104266	109200
Plus effect of salary growth	63663	67751
Defined benefit obligation with projected salary growth	167929	176952

Sensitivity Analysis:

43A

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 50 basis points.

Particulars	Period Ended	
	31 st March 2022	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	-6.37%	1.48%
Impact of decrease in 50 bps on DBO	5.95%	-1.73%

Particulars	Period Ended	
	31 st March 2021	
	Discount Rate	Salary Escalation Rate
Impact of increase in 50 bps on DBO	-5.06%	1.84%
Impact of decrease in 50 bps on DBO	5.50%	-2.10%



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
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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.

Projected Plan Cash Flow

Maturity Profile	31 st March 2022	31 st March 2021
Expected benefits for year 1	23,930	25,660
Expected benefits for year 2	12,121	15,047
Expected benefits for year 3	9,898	11,803
Expected benefits for year 4	8,045	9,838
Expected benefits for year 5	7,871	7,785
Expected benefits for year 6	8,808	7,654
Expected benefits for year 7	10,106	8,526
Expected benefits for year 8	9,908	9,942
Expected benefits for year 9	10,881	9,685
Expected benefits for year 10 and above	370,042	378,304
Total	471,610	484,245
43A The weighted average duration to the payment of these cash flows is	10.64 years	10.89 years

Amount recognised in Balance Sheet:

	31 st March 2022	31 st March 2021
Present value of funded defined benefit obligation	167929	176952
Fair value of plan assets	173569	173778
Net funded obligation	-5640	3174
Net defined benefit liability / (asset) recognized in balance sheet	-5640	3174
Net defined benefit liability / (asset) is bifurcated as follows:		
Non Current	-5640	3174

Amount recognised in Statement of Profit & Loss:

Current Service Cost	8,358	8,801
Past Service Cost		
Administration expenses		
Interest on net defined benefit liability / (asset)	108	831
(Gains) / losses on settlement		
Total expense charged to Statement of Profit and Loss	8,466	9,632



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars		
	Amount recognised in Other Comprehensive Income:		
		31st March 2022	31st March 2021
	Opening amount recognized in OCI outside Profit and Loss account	51,143	57,601
	Remeasurements during the period due to		
	Changes in financial assumptions	-9,994	1,853
	Changes in demographic assumptions		
	Experience adjustments	-1,275	-6,323
	Actual return on plan assets less interest on plan assets	-3,004	-3,334
	Adjustment to recognize the effect of asset ceiling	167	1,346
	Closing amount recognized in OCI outside Statement of Profit and Loss	37,037	51,143
	Reconciliation of Net Liability / Asset:		
	The movement of net asset / (liability) from the beginning to the end of the accounting period as recognized in the Balance Sheet of the Company is shown below:		
		31st March 2022	31st March 2021
	Opening net defined benefit asset / (liability)	-3174	-24093
	Expense charged to profit & loss account	-8466	-9632
43A	Amount recognized outside profit & loss account	14106	6458
	Employer contributions	3174	24093
	Impact of liability assumed or (settled)*		
	Closing net defined benefit asset / (liability)	5640	-3174
	MOVEMENT IN BENEFIT OBLIGATIONS:		
		31st March 2022	31st March 2021
	Opening of defined benefit obligation	176952	179854
	Current service cost	8358	8801
	Interest on defined benefit obligation	11436	11755
	Remeasurements due to:		
	Actuarial loss / (gain) arising from change in financial assumptions	-9994	1853
	Actuarial loss / (gain) arising from change in demographic assumptions		
	Actuarial loss / (gain) arising on account of experience changes	-1275	-6323
	Benefits paid	-17548	-18988
	Liabilities assumed / (settled)*		
	Liabilities extinguished on settlements		
	Closing of defined benefit obligation	167929	176952



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
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MOVEMENT IN PLAN ASSETS:

A reconciliation of the plan assets during the inter-valuation period is given below:

	31 st March 2022	31 st March 2021
Opening fair value of plan assets	173778	155761
Employer contributions	3174	24093
Interest on plan assets	11328	10924
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	2837	1988
Benefits paid	-17548	-18988
Assets acquired / (settled)*		
Assets distributed on settlements		
Closing fair value of plan assets	173569	173778

* On account of business combination or inter group transfer

DISAGGREGATION OF PLAN ASSETS:

43A

Particulars	31 st March 2022		
	Quoted Value	Non Quoted Value	Total
Property			
Government debt instruments		500	500
Other debt instruments			
Insurer managed funds		172992	172992
Others		78	78
	-	173570	173570

Particulars	31 st March 2021		
	Quoted Value	Non Quoted Value	Total
Property			-
Government debt instruments		1000	1000
Insurer managed funds		172729	172729
Others		48	48
	-	173777	173777

Principal Assumptions :

Particulars	31 st March 2022	31 st March 2021
Discounting Rate (p.a.)	7.30%	6.80%
Salary escalation rate (p.a.)	8.00%	8.00%



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
	<p>The exempt provident fund set up by the company is a defined benefit plan under Ind AS 19 Employee Benefits.</p> <p>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.</p> <p>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.</p> <p>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 2022.</p> <p>In view of uncertainties regarding recoverability of certain investments in ILFS, Dewan Housing, Reliance Capital, syntax, Srei equipment finance etc., liability was created during 2019-20 and 2020-21. Further as per the settlement made by Dewan Housing and considering stressed investment in Future Enterprises Ltd during 2021-22, the liability recognised in earlier years is reversed during the year ended 31st March 2022 by ₹ 5313 lakhs (Previous year - accounted liability of ₹15468 lakhs).</p>
43B(i)	



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars									
	The Total Amount of net liability / asset to be recorded in the Balance Sheet									
	As at 31.03.2022									
	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	12992	3762	2541	1682	1559	841	505	25062		
Net Interest (Income) / Expense	241	(139)	254	(164)	(13)	17	(32)	208		
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	13233	3623	2795	1518	1546	858	473	25270		
Amounts recognised in statement of Other Comprehensive Income(OCI):										
Opening amount recognized in OCI outside profit and loss account	26489	5433	8735	509	3046	1621	433	48909		
Remeasurements for the period - Obligation (Gain) / Loss	1183	(2031)	(4563)	(1298)	(3049)	(1336)	762	(11629)		
Remeasurement for the period - Plan assets (Gain) / Loss	(826)	370	2586	558	3494	458	(1135)	6107		
Total Remeasurements Cost / (Credit) for the year recognised in OCI	357	(1661)	(1976)	(740)	445	(878)	(373)	(5522)		
Closing amount recognised in OCI outside profit and loss account	26846	3772	6759	(231)	3491	743	60	43387		
Reconciliation of Net Asset / (Liability) recognised :										
Net asset / (liability) recognised at the beginning of the period	(26021)	(5058)	(9068)	(457)	(2942)	(1611)	(405)	(48184)		
Employer's Contributions	12992	3762	2541	1682	1559	841	505	25062		
Benefits directly paid by Company										
Amount recognized outside profit & loss account for the year	(357)	1661	1976	740	(446)	878	373	5520		
Expense recognised at the end of period	(13233)	(3622)	(2795)	(1518)	(1546)	(858)	(473)	(25269)		
Impact of Transfer (In) / Out*										
Net asset / (liability) recognised at the end of the period	(26619)	(3257)	(7346)	447	(3375)	(750)	-	(42871)		

* On account of business combination or inter group transfer



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars									
	The Total Amount of net liability / asset to be recorded in the Balance Sheet									
	As at 31.03.2022									
	EMPLOYEES' PROVIDENT FUND TRUST	HAL(BC)	NASIK	KORAPUT	HYDERABAD	LUCKNOW	KORWA	KANPUR	HQ	Total
Changes in present value of Benefit obligation:										
Present value of benefit obligation as at the beginning of the period	249430		121044	98771	33457	59098	31718	38577	12114	644209
Transfer in / (out)*	(81)		(1666)	(3615)	(289)	544	197	(229)	1595	(3544)
Interest cost	15311		7918	6400	1990	3617	1974	2496	712	40418
Current Service Cost	12992		3762	2541	1682	1559	841	1180	505	25062
Employee Contribution	31966		10456	8123	4061	4711	1877	2772	1254	65220
Benefits paid	(48538)		(9213)	(9303)	(8378)	(11825)	(5364)	(3740)	(3292)	(99653)
Remeasurements due to:										-
Actuarial loss/(gain) arising from change in financial assumptions	(8986)		(4305)	(3393)	(1149)	(1464)	(578)	(1564)	(374)	(21813)
Actuarial loss/(gain) arising from change in demographic assumptions										-
Actuarial loss/(gain) arising on account of experience changes	10169		2274	(1170)	(149)	(1585)	(758)	268	1137	10186
Closing of defined benefit obligation	262263		130270	98354	31225	54655	29907	39760	13651	660085
Changes in Fair value of Plan Assets:										
Fair value of plan assets as at the beginning of the period	223408		115987	89703	33000	56156	30107	35956	11709	596026
Transfer in / (out)*	(81)		(1666)	(3615)	(289)	544	197	(229)	1595	(3544)
Interest Income	15070		8057	6146	2154	3630	1957	2452	744	40210
Employer's Contributions	12992		3762	2541	1682	1559	841	1180	505	25062
Employee's Contributions	31966		10456	8123	4061	4711	1877	2772	1254	65220
Benefits paid	(48538)		(9213)	(9303)	(8378)	(11825)	(5364)	(3740)	(3292)	(99653)
Shortfall arising on account of asset diminution										
Amount paid on settlement										
Actuarial Gain / (Loss) on plan assets	826		(371)	(2586)	(558)	(3494)	(458)	(602)	1136	(6107)
Fair value of plan assets as at the end of the period	235643		127012	91009	31672	51281	29157	37789	13651	617214

* On account of business combination or inter group transfer

Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

Clause No.	Particulars											(₹ in Lakhs)
	The Total Amount of net liability / asset to be recorded in the Balance Sheet											
	As at 31.03.2021											
	EMPLOYEES' TRUST	PROVIDENT FUND	HAL(BC)	NASIK	KORAPUT	HYDERABAD	LUCKNOW	KORWA	KANPUR	HQ	Total	
	Expense recognised in the Statement of Profit & Loss:											
	Current service cost		13221	4179	2193	864	1811	915	1088	433	24704	
	Net Interest (Income) / Expense		(467)	(376)	334	(52)	(104)	(10)	(21)	(28)	(724)	
	Net periodic benefit cost recognised in the statement of profit & loss at the end of period		12754	3803	2527	812	1707	905	1067	405	23980	
	Amounts recognised in statement of Other Comprehensive Income(OCI):											
	Opening amount recognized in OCI outside profit and loss account		14399	2798	9400	63	2470	1445	1734	408	32717	
	Remeasurements for the period - Obligation (Gain) / Loss		13189	2550	3648	434	1183	1007	1895	117	24023	
	Remeasurement for the period - Plan assets (Gain) / Loss		(1099)	85	(4314)	12	(607)	(831)	(986)	(92)	(7832)	
	Total Remeasurements Cost / (Credit) for the year recognised in OCI		12090	2635	(666)	446	576	176	909	25	16191	
	Closing amount recognised in OCI outside profit and loss account		26489	5433	8734	509	3046	1621	2643	433	48908	
	Reconciliation of Net Asset / (Liability) recognised :											
	Net asset / (liability) recognised at the beginning of the period		(14399)	(2798)	(9400)	(63)	(2470)	(1445)	(1734)	(408)	(32717)	
	Employer's Contributions		13221	4178	2194	864	1811	915	1088	433	24704	
	Benefits directly paid by Company											
	Amount recognized outside profit & loss account for the year		(12090)	(2635)	665	(446)	(576)	(176)	(909)	(25)	(16192)	
	Expense recognised at the end of period		(12754)	(3803)	(2527)	(812)	(1707)	(905)	(1067)	(405)	(23980)	
	Impact of Transfer (In) / Out*										0	
	Net asset / (liability) recognised at the end of the period		(26022)	(5058)	(9068)	(457)	(2942)	(1611)	(2622)	(405)	(48185)	
	* On account of business combination or inter group transfer											

* On account of business combination or inter group transfer



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars									
	The Total Amount of net liability / asset to be recorded in the Balance Sheet									
	As at 31.03.2021									
	EMPLOYEES' TRUST	PROVIDENT FUND	HAL(BC)	NASIK	KORAPUT	HYDERABAD	LUCKNOW	KORWA	KANPUR	HQ
										Total
Changes in present value of Benefit obligation:										
Present value of benefit obligation as at the beginning of the period		224293	102517	88391	31722	58779	31856	32989	11434	581981
Transfer in / (out)*		811	(1586)	(3622)	518	(406)	(454)	324	915	(3500)
Interest cost		13920	6874	5937	2088	3640	1996	2176	696	37327
Current Service Cost		13221	4178	2193	864	1811	915	1088	433	24703
Employee Contribution		29117	12307	6929	765	6141	2256	3006	1202	61723
Benefits paid		(45121)	(5795)	(4706)	(2934)	(12050)	(5858)	(2901)	(2683)	(82048)
Remeasurements due to:										-
Actuarial loss/(gain) arising from change in financial assumptions		(3551)	(2721)	(783)	(335)	(553)	(235)	(453)	(41)	(8672)
Actuarial loss/(gain) arising from change in demographic assumptions										
Actuarial loss/(gain) arising on account of experience changes		16740	5271	4431	769	1736	1242	2348	158	32695
Closing of defined benefit obligation		249430	121045	98770	33457	59098	31718	38577	12114	644209
Changes in Fair value of Plan Assets:										
Fair value of plan assets as at the beginning of the period		209894	99718	78992	31658	56309	30412	31254	11025	549262
Transfer in / (out)*		811	(1586)	(3622)	519	(406)	(454)	324	915	(3499)
Interest Income		14387	7249	5602	2139	3744	2006	2198	725	38050
Employer's Contributions		13221	4179	2193	864	1811	915	1088	433	24704
Employee's Contributions		29117	12307	6930	765	6141	2255	3006	1202	61723
Benefits paid		(45121)	(5795)	(4706)	(2933)	(12050)	(5858)	(2900)	(2683)	(82046)
Shortfall arising on account of asset diminution										
Amount paid on settlement										
Actuarial Gain / (Loss) on plan assets		1099	(85)	4314	(12)	607	831	986	92	7832
Fair value of plan assets as at the end of the period		223408	115987	89703	33000	56156	30107	35956	11709	596026

* On account of business combination or inter group transfer

Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars									
The following table summarizes the disclosure report provided by the Actuary: As at 31.03.2022 (Ind AS 19)										
43B(iii)	EMPLOYEES' PROVIDENT FUND TRUST*									
	Summary of Data:									
	Total PF Account Balance	262262	130270	98355	31673	54654	29907	39759	13651	
	Investment in (Default/Stress) or surplus investment income	-26619	-3258	-7346	0	-2700	(750)	(1971)		
	Weighted Average Remaining Tenure of the investment Portfolio (in years)	6.11	6.87	6.11	6.14	4.47	5.48	4.16	6.36	
	Amounts to be Recognized in Balance Sheet:									
	Present Value of Obligation at the end of the period	262262	130270	98355	31226	54654	29907	39759	13651	
	Fair Value of the Plan Assets at the end of the year	235643	127012	91009	31673	51279	29157	37789	13651	
	Net (asset) / liability recognised in balance sheet	26619	3258	7346	(447)	3375	750	1970	-	
	Major Categories of Plan Assets (as % of Total Plan Assets):									
	Government of India Securities	60%	44%	47%	52%	49%	82%	48%	61%	
	High Quality Corporate Bonds	27%	28%	32%	26%	33%	0%	37%	28%	
	Equity shares of listed companies	2%	6%	5%	3%	1%	5%	7%		
	Bank Balance	1%	1%	1%	1%		3%	1%	3%	
	Special deposit scheme	6%	7%	7%	2%	5%	5%	4%	6%	
	Receivable from HAL							1%		
	Others (refundable loans)	4%	14%	8%	16%	12%	5%	2%	2%	
Total	100%	100%	100%	100%	100%	100%	100%	100%		
Summary of Principal Actuarial Assumptions:										
Discount Rate (p.a)	7.30%	7.30%	7.30%	7.30%	7.30%	7.30%	7.30%	7.30%		
Interest Rate declared by EPFO for the year	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%	8.10%		
Yield Spread	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%		
Expected rate of return on plan assets	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%		
Average Historic Yield on the Investment	8.18%	8.65%	7.57%	8.67%	8.75%	8.57%	8.67%	8.33%		

* 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 Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

Clause No.	Particulars									
	EMPLOYEES' PROVIDENT FUND TRUST*	HAL(BC)	NASIK	KORAPUT	HYDERABAD	LUCKNOW	KORWA	KANPUR	HQ	
43B(iii)	The following table summarizes the disclosure report provided by the Actuary: As at 31.03.2021 (Ind AS 19)									
	Summary of Data:									
	Total PF Account Balance	244927	118907	95639	33000	58356	31157	37626	11709	
	Investment in (Default/Stress) or surplus investment income	-21519	-2920	-5936	0	-2200	-1050	-1670		
	Weighted Average Remaining Tenure of the investment Portfolio (in years)	8.93	6.59	5.94	6.06	4.47	5.16	4.95	6.66	
	Amounts to be Recognized in Balance Sheet:									
	Present Value of Obligation at the end of the period	249430	121044	98771	33457	59098	31718	38578	12114	
	Fair Value of the Plan Assets at the end of the year	223408	115987	89703	33000	56156	30107	35956	11709	
	Net (asset) / liability recognised in balance sheet	26022	5057	9068	457	2942	1611	2622	405	
	Major Categories of Plan Assets (as % of Total Plan Assets):									
	State Government Securities						32%			
	Government of India Securities	62%	46%	46%	48%	46%	50%	49%	60%	
	High Quality Corporate Bonds	25%	31%	32%	31%	34%		38%	29%	
	Equity shares of listed companies	2%	4%	5%	3%	2%	5%	4%	5%	
	Bank Balance									
	Special deposit scheme	6%	8%	7%	2%	4%	5%	4%	3%	
	Receivable from HAL									
	Others (refundable loans)	5%	11%	10%	16%	14%	8%	5%	3%	
	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	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%		
Yield Spread	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%		
Expected rate of return on plan assets	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%		
Average Historic Yield on the Investment	8.58%	8.37%	7.57%	8.44%	8.75%	8.57%	8.90%	8.33%		

* 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 Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
43C	The Company has provided Performance Related Pay for the year as per the Guidelines issued by DPE.
	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 1 st 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 16 th July, 2014 in respect of Executives retired etc., from 1 st January, 2007.
43D	A Defined Contribution Pension Scheme in respect of Workmen retired after 1 st January, 2012 was notified on 2 nd June, 2015 which was agreed as a part of the Workmen's Wage Revision effective from 1 st 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.
	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 1 st January, 2007 and (b) Executives retired on or after 1 st January, 2007 were introduced with effect from 1 st February, 2014.
43E	A Post Superannuation Group Health Insurance Scheme in respect of Workmen of the Company retired, etc. after 1 st January, 2007 has been introduced in the Company with effect from 1 st February, 2015 which was agreed as a part of the Workmen's Wage Revision effective from 1 st 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.
	HAL Employees Group Life Insurance Trust:
43F	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 ₹ 481 lakhs to the trust with employees contributing an equal amount.
	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.
43G	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 year ended 31 March 2022 by ₹ 5256 lakhs (Previous year: ₹14450 lakhs) and a consequential reduction in sales revenue for the year ended 31 March 2022 by ₹812 lakhs (Previous year: ₹5677 lakhs)



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars						
	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 recoverable Note No.19 for ₹24489 lakhs (Previous year ₹19368 lakhs)						
43G	<p>In respect of employees who retired prior to 30 June, 2021, provision is made for the amount recoverable ₹2584 lakhs (Previous year: ₹2680 lakhs).</p> <p>The amount withheld from employees who retired after 30th June 2021 is kept under other liabilities ₹1835 lakhs (Previous year: ₹ NIL).</p> <p>Based on the final order that may be passed, suitable effect will be carried out in the accounts.</p>						
43H	The Board in its 436 th meeting held on 25 th June 2020 accorded approval to introduce the HAL Employees Voluntary Retirement Scheme-2020 subject to approval of the Administrative Ministry in light of the present economic circumstances and changing business scenario and to operate economically to reduce surplus manpower and high labour cost to withstand the competition from private companies. Administrative Ministry approval for the scheme is awaited.						
	Financial Assistance Scheme for Dependents of Deceased Employee						
43I	<p>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 die 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 and a trust will be established 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.</p> <p>During the year ₹4000 lakhs paid to Trust for creation of Corpus and ₹418 lakhs has been incurred as expenditure under Financial Assistance Scheme for Dependents of Deceased Employee which is included in note 40 - Staff Welfare expenditure.</p>						
44	As per Ind AS-21 relating to accounting for the effects of changes in the Foreign Exchange rates,						
(a)	<table><tr><td>Exchange rate variation recognised in Statement of Profit and Loss towards Capital Assets.</td><td>As at 31st March 2022</td><td>As at 31st March 2021</td></tr><tr><td></td><td>17</td><td>9</td></tr></table>	Exchange rate variation recognised in Statement of Profit and Loss towards Capital Assets.	As at 31st March 2022	As at 31 st March 2021		17	9
Exchange rate variation recognised in Statement of Profit and Loss towards Capital Assets.	As at 31st March 2022	As at 31 st March 2021					
	17	9					
(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 ₹3971 Lakhs (31 st March 2021 - ₹ 4106 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).						

Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars													
45A	DISCLOSURE RELATING TO IND AS-24 ON RELATED PARTY													
	The name of the transacting related party	M/s. Indo Russian Helicopters Pvt Ltd	M/s. Bae HAL Software Limited	M/s. HAL Aviation Limited	M/s. HAL Software Limited	M/s. HAL Software Limited	M/s. HAL Software Limited	M/s. HAL Software Limited	M/s. HAL Software Limited	M/s. HAL Software Limited	M/s. HAL Software Limited	M/s. HAL Software Limited	M/s. HAL Software Limited	M/s. HAL Software Limited
	Country of incorporation	India	India	India	India	India	India	India	India	India	India	India	India	India
(a)	Proportion of Ownership Interest	48%	49%	50%	40%	50%	50%	50%	50%	50%	50%	50%	50%	50%
(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	Subsidiary
(c)	Description of the nature of the transactions	Purchase and sale of goods of services	Purchase and sale of goods of services	Purchase and sale of goods of services	Purchase and sale of goods of services	Purchase and sale of goods of services	Purchase and sale of goods of services	Purchase and sale of goods of services	Purchase and sale of goods of services	Purchase and sale of goods of services	Purchase and sale of goods of services	Purchase and sale of goods of services	Purchase and sale of goods of services	Purchase and sale of goods of services
	Volume of the transactions either as an amount or as an appropriate proportion on Purchase of Goods and Services and other expenses	6,967	425	185	56	2,622	56	185	2	8	487	487	487	487
(d)	Previous year 31 st March 2021	(5,830)	(592)	(172)	(91)	(1,232)	(91)	(172)	(30)	-	(7)	(556)	(556)	-
	Volume of the transactions either as an amount or as an appropriate proportion on Sale of Goods and Services	11,192	210	16	296	314	296	16	4	605	100	217	217	16
	Previous year 31 st March 2021	(373)	-	-	-	-	-	-	-	(496)	-	(150)	(150)	-
(e)	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	(8,283)	(290)	(7)	(394)	(32)	(2)	(394)	12	606	32	23	1,345	69
	Previous year 31 st March 2021	12	440	-	456	-	456	239	-	-	-	-	-	-
(f)	Rent, Water and Electricity Expenses	(6)	(296)	-	(439)	-	(439)	(145)	(527)	(753)	(65)	-	(1,107)	(65)
	Previous year 31 st March 2021	4	173	6	18	55	732	241	11	241	11	-	-	10
	Previous year 31 st March 2021	(3)	(163)	-	(35)	(54)	(62)	(225)	(70)	(225)	(70)	-	-	(65)



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

Clause No.	Particulars																	(₹ in Lakhs)
45A	DISCLOSURE RELATING TO IND AS-24 ON RELATED PARTY																	
	The name of the transacting related party	M/s. Indo Russian Aviation Limited	M/s. Bae HAL Software Limited	M/s. HAL from HAL Aircraft Engines Private Ltd	M/s. SAMTEL HAL Display Systems Limited	M/s. HAL-Edge-wood Technologies Private Limited	M/s. HALBIT Avionics Private Limited*	M/s. Infotech HAL Limited	M/s. HATSOFF Helicopter Training Private Ltd.	M/s. Tata HAL Technologies Ltd.	M/s. International Aerospace Manufacturing Pvt. Ltd.	M/s. Multirole Transport Aircraft Ltd.	M/s Aerospace & Aviation Sector Skill Council	M/s Helicopter Engines Pvt. Ltd	M/s Defence Innovation Organisation	M/s Nainee Aerospace Ltd	M/s Indo Russian Helicopters Pvt Ltd	
(g)	Advances Outstanding on Purchases of Goods and Services				1	34												
	Previous year 31 st March 2021	-	-	(1)	(197)	(52)	-	-	-	-	-	-	-	-	-	-	-	
	Advances Outstanding on Sale of land													919				
(h)	Previous year 31 st March 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Allowances recognised in respect of Doubtful debts during the year					17	94		-515							343		
	Previous year 31 st March 2021	-	-	-	-	(37)	(39)	-	(58)	-	-	-	-	-	-	(68)	-	
(i)	Dividend on Investments	187									9							
	Previous year 31 st March 2021	(94)	-	-	-	-	-	-	-	-	(17)	-	-	-	-		-	
(i)	Re-imbursement of Salaries including KMP Salaries	82	20				43				35			23				
	Previous year 31 st March 2021	(67)	-	-	-	-	(40)	-	-	(52)	-	-	-	-	-		-	
(k)	Re-imbursement of Expenses														6			
	Previous year 31 st March 2021	-	-	-	-		-	-	-		-	-	-	-	(4)		-	
(l)	Provision for doubtful debts related to the amount of outstanding balances					456	239		12							1,087		
	Previous year 31 st March 2021	-	-	-	-	(439)	(145)	-	(527)	-	-	-	-	-	-	(744)		
(m)	Grant outstanding as on Balance sheet Date														4,500			
	Previous year 31 st March 2021														(4,500)			
(n)	Write Off of Advance					374												
	Previous year 31 st March 2021					-												

* Does not include disputed amount of ₹1686 lakhs (31st March 2021 - ₹ 1686 lakhs), as the same is shown under clause 2(b) in respect of M/s HALBIT Avionics Private Ltd.

Figures in brackets relates to Previous Year (as at 31st March 2021)

Transaction with the related parties are made on normal commercial terms and at market rates.

Key Management Personnel of the Company in Joint Ventures are as follows:

Shri R. Madhavan, Chairman and Managing Director
 Shri Arup Chatterjee, Director - Engineering and R&D
 Shri C. B. Ananthakrishnan - Director (Finance) & CFO
 Shri G. V. Seshu Reddy - Co. Secy

The total salaries including perquisites drawn by the above key Management Personnel from Joint Ventures is Nil.



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars																														
	<p>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.</p>																														
	<table><tr><th>Name of PF Trust</th><th>For the period ended 31st March 2022</th><th>For the period ended 31st March 2021</th></tr><tr><td>1. HAL - Bangalore Complex</td><td>12992</td><td>13221</td></tr><tr><td>2. HAL - Nasik</td><td>3762</td><td>4179</td></tr><tr><td>3. HAL - Koraput</td><td>2541</td><td>2193</td></tr><tr><td>4. HAL - Hyderabad</td><td>1682</td><td>864</td></tr><tr><td>5. HAL - Lucknow</td><td>1559</td><td>1811</td></tr><tr><td>6. HAL - Korwa</td><td>841</td><td>915</td></tr><tr><td>7. HAL - Kanpur</td><td>1180</td><td>1088</td></tr><tr><td>8. HAL - Corporate Office</td><td>505</td><td>433</td></tr><tr><td>Total</td><td>25062</td><td>24704</td></tr></table>	Name of PF Trust	For the period ended 31 st March 2022	For the period ended 31 st March 2021	1. HAL - Bangalore Complex	12992	13221	2. HAL - Nasik	3762	4179	3. HAL - Koraput	2541	2193	4. HAL - Hyderabad	1682	864	5. HAL - Lucknow	1559	1811	6. HAL - Korwa	841	915	7. HAL - Kanpur	1180	1088	8. HAL - Corporate Office	505	433	Total	25062	24704
Name of PF Trust	For the period ended 31 st March 2022	For the period ended 31 st March 2021																													
1. HAL - Bangalore Complex	12992	13221																													
2. HAL - Nasik	3762	4179																													
3. HAL - Koraput	2541	2193																													
4. HAL - Hyderabad	1682	864																													
5. HAL - Lucknow	1559	1811																													
6. HAL - Korwa	841	915																													
7. HAL - Kanpur	1180	1088																													
8. HAL - Corporate Office	505	433																													
Total	25062	24704																													
45A(i)																															
45A(ii)	<p>The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (HAL Employees Gratuity scheme). During the year, the Company contributed ₹18525 Lakhs (Previous Year - ₹15580 Lakhs) and as on 31-03-2022 the amount payable is NIL (Previous year ₹ 3174 Lakhs), amount receivable is ₹ 17022 lakhs (Previous Year ₹ 17999 lakhs) and Advance paid to Gratuity trust is ₹ 5640 lakhs (Previous year NIL).</p>																														
	<p>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.</p>																														
45B	<p>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 request 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.</p> <p>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).</p> <p>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.</p> <p>TATA HAL Techonologies Limited, Pursuant to the Board Resolution dated 08th June 2021, the company has filed the application for voluntary liquidation to MCA in terms of Section 59 of the Insolvency and Bankruptcy Code, 2016 and the official liquidator is appointed.</p>																														



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
	Defence Innovation Organisation ("DIO"):
45C	<p>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 2022 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.</p> <p>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 is recognised and disclosed in other financial liabilities - other liabilities (note 32).</p>
45D	<p>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.</p> <p>The company has received a sum of ₹919 lakhs from HE-MRO for transfer of lease hold land at Goa to HE MRO for right of use assets and the transfer of land is pending for registration, accordingly the carrying amount of right of use assets of ₹811 lakhs has been disclosed as asset held for sale and ₹ 919 lakhs received from HE-MRO disclosed under note 32 Non current - other liabilities in accordance with Ind AS 105.</p>
45E	<p>Promoters of HE-MRO have decided to restart the activities of the Company on improvement of the Covid-19 situation. To meet its financial requirement, HE-MRO in its 33rd Board meeting held on 30th July 2021 decided to raise funds by way of Right issue of 20 lakh equity shares to the existing shareholders at par value of ₹100 per share. HE-MRO has sent Right issue offer letter to existing shareholders including HAL. This matter was put up to Board of Directors of HAL in its 449th Meeting held on 21st September 2021, and the Board has accepted the Right issue offer.</p> <p>Consequent to the same, Rs.1000 lakhs has been paid to HE-MRO towards equity participation in Rights issue of HE-MRO Private Limited on 30.09.2021. The Company has been allotted 10 lakh Equity shares of ₹100 each on 11th November 2021 against the share application money paid.</p>



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Key Management Personnel in the Company	For the year ended 31 st March 2022			For the year ended 31 st March 2021		
	Particulars	Salary	Company Contribution to PF / Gratuity	Total	Salary	Company Contribution to PF / Gratuity	Total
45F	1. Shri R Madhavan, Chairman and Managing Director	70	5	75	63	5	68
	2. Shri Alok Verma, Director (Human Resources)	58	5	63	53	4	57
	3. Shri C. B. Ananthakrishnan, Director (Finance) & CFO	62	5	67	56	5	61
	4. Shri M.S.Velpari, Director (Operations)	53	4	57	53	4	57
	5. Shri Arup Chatterjee, Director (Engineering and R&D)	59	5	64	55	5	60
	6. Shri G.V. Sessa Reddy (Company Secretary)	41	4	45	35	3	38

Shri R. Madhavan was appointed as Chairman and Managing Director with effect from 1st September 2018

Shri C.B.Ananthakrishnan was appointed as Director(Finance) and CFO with effect from 1st August 2018

Shri M.S.Velpari ceased to be Director(Operations) consequent upon superannuation on 28th February 2022

Shri Arup Chatterjee was appointed as Director (Engineering and R&D) with effect from 1st June 2018

Shri Alok Verma was appointed as Director (Human Resources) with effect from 1st January 2020.

45G	PART TIME NON-OFFICIAL DIRECTORS	Sitting Fees
45G	1. Rear Admiral K.C Sekhar AVSM,VSM (Retd), Independent Director	3
	2. Dr. S Malla Reddy, Independent Director	2
	3. Dr. Divya Gupta, Independent Director	2
	Total	7

Apart from transactions reported above, the Company has transactions with other Government related entities, which includes but not limited to the following:

45H	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	



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
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The disaggregation of changes to OCI is shown below:

For the period ended 31st March 2022

Particulars	Opening balance as at 1 st April 2021	Additions/ Reversal	Transferred to Retained earnings	Closing balance as at 31 st March 2022
Gains and losses arising from the financial statements of a foreign operations	16			16
Re-measurement gains (losses) on defined benefit plans (Gratuity/PF)		14687	14687	
46 Total	16	14687	14687	16

For the period ended 31st March 2021

Particulars	Opening balance as at 1 st April 2020	Additions / Reversal	Transferred to Retained earnings	Closing balance as at 31 st March 2021
Gains and losses arising from the financial statements of a foreign operations	16		-	16
Re-measurement gains (losses) on defined benefit plans (Gratuity/PF)	-63853	-7283	-71136	
Total	-63837	-7283	-71136	16

As per Ind AS-33 relating to Earnings per Share (Basic and Diluted)

	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Profit Before Tax	523115	427738
Provision for Taxation	14465	103793
Net Profit After Tax	508650	323945
47 Weighted Average Number of Equity Shares of Face Value of ₹10/- each fully paid up	334387500	334387500
Earnings per Share (in Rupees) - Basic	152.11	96.88
Earnings per Share (in Rupees) - Diluted	152.11	96.88

Buyback of Shares:

- 48A** 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.

Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars		
48B	The Government of India, on 27 th August 2020 – 28 th August 2020 made an offer for sale (OFS) upto 15% of the paid up equity share capital, out of its shareholding of 89.97%, in order to achieve the mandatory threshold of 25% minimum public shareholding by a listed Company. Consequent to the OFS, the Government of India shareholding stands at 75.15%.		
		For the year ended 31st March 2022	For the year ended 31st March 2021
48C	As required by Ind AS 36, the Company has accounted impairment losses on intangible assets 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.	17,643	6,385

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 1 st April 2021	Provision made during the year	Utilisation during the year	Reversal during the year	Closing Balance 31 st March 2022
Provision for Warranty Charges	82581	51544	20562	4238	109325
(Previous Year - 31 st March 2021)	(65384)	(32561)	(12897)	(2467)	(82581)
Provision for Replacement and Other Charges	153272	78729	8682	5465	217854
(Previous Year - 31 st March 2021)	(181747)	(21175)	(26554)	(23096)	(153272)
Provision for Redundancy in Raw Material and Components, Stores and Spares, Construction Material, Loose Tools and Work in progress	133241	56005	8	3002	186236
(Previous Year - 31 st March 2021)	(92528)	(43009)	(1)	(2295)	(133241)
Provision for Doubtful Debts	16362	105568		2520	119410
(Previous Year - 31 st March 2021)	(15972)	(1426)	(1)	(1035)	(16362)
Provision for Claims	29050	7120		4904	31266
(Previous Year - 31 st March 2021)	(31896)	(3017)	(33)	(5830)	(29050)
Provision for Liquidated Damages	127943	74395	54573	1979	145786
(Previous Year - 31 st March 2021)	(202740)	(43875)	(118672)		(127943)
Provision for Impairment of Investments	17961	557			18518
(Previous Year - 31 st March 2021)	(16816)	(1145)			(17961)
Provision for Onerous contract					
(Previous Year - 31 st March 2021)	(32183)		(32183)		
Total	560410	373918	83825	22108	828395
(Previous Year - 31 st March 2021)	(639266)	(146208)	(190341)	(34723)	(560410)

* Figures in brackets relate to previous year.



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars						
49	Nature of Provision	As at 31 st March 2022			As at 31 st March 2021		
		Long Term Provision	Short Term Provision	Total Provision	Long Term Provision	Short Term Provision	Total Provision
	Provision for Warranty Charges	4700	104625	109325	4032	78549	82581
	Provision for Replacement and Other Charges	15179	202675	217854	12544	140728	153272
	Provision for Redundancy in Raw Material and Components, Stores and Spares, Construction Material, Loose Tools and Work in progress		186236	186236		133241	133241
	Provision for Doubtful Debts		119410	119410		16362	16362
	Provision for Claims	14385	16881	31266	19211	9839	29050
	Provision for Liquidated Damages	7331	138455	145786	11332	116611	127943
	Provision for Impairment of Investments	18518		18518	17961		17961
	Provision for Onerous contract						

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 Signaling 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.

50 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 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.



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars		
	Particulars	For the period ended 31 st March 2022	For the period ended 31 st March 2021
	Information regarding income and expenditure of Investment property		
	As per Ind AS 40 - Investment property:		
	Rental income derived from investment properties	1240	694
51	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	1240	694
	Less – Depreciation	-	-
	Profit arising from investment properties before Indirect expenses	1240	694
	Fair value of investment property		

As at 31st March, 2022, the fair value of properties is ₹ 9627 lakhs as valued by an Registered Valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Advances from Customers of ₹ 1044022 Lakhs and Milestone receipts of ₹ 1622203 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	31 st March 2022		31 st March 2021	
		Note 29	Note 33	Note 29	Note 33
		Non - Current	Current	Non - Current	Current
	Outstanding Advances from Customer				
	- Defence	608833	430963	618072	506698
	- Others		4226		4272
		608833	435189	618072	510970
	Less: Utilisation of Advances				
	- Inventory	32553	337507	37689	373812
	- Advances against Goods & Services		19980		17991
	- Intangible Assets		135		7948
	- Special Tools & Equipment	8920	282	8920	35044
	- Trade Receivables		1665		6299
	- Claims Receivables		765		89
		41473	360334	46609	441183
	Net Outstanding Advances (A)	567360	74855	571463	69787
	Outstanding Milestone Receipt				
	- Defence	610354	941864	286372	1063923
	- Others	7057	62928	12686	80442
		617411	1004792	299058	1144365



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars				
	Particulars	31 st March 2022		31 st March 2021	
		Note 29	Note 33	Note 29	Note 33
		Non - Current	Current	Non - Current	Current
	Less: Utilisation of Milestone Receipts				
	- Inventory	90289	589442	84674	568921
	- Advances against Goods & Services	43480	73325	1019	52526
	- Intangible Assets	2949	19645	3127	10397
	- Special Tools & Equipment	49912	89249	30402	73288
	- Trade Receivables	6041	17532		2469
	- Claims Receivables		5100		6710
	192671	794293	119222	714311	
	Net Outstanding Milestone Receipts (B)	424740	210499	179836	430054
	Total (A+B)	992100	285354	751299	499841
52	Particulars		31 st March 2022	31 st March 2021	
	Summary				
	(A) Gross Advances from Defence Customers				
	Initial Advances from Defence Customers		1039796	1124770	
	Milestone Advances from Defence Customers		1552218	1350295	
	Gross Advances from Defence Customers (A)		2592014	2475065	
	Advances from Others (B)		74211	97400	
	Total (A+B)		2666225	2572465	
	Less Advances / Milestone utilisation (C)		1388771	1321325	
	Outstanding Advances / Milestone Receipts (A+B-C)		1277454	1251140	
	Defence Customers		1204553	1157475	
	Others		72901	93665	
	Total		1277454	1251140	



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars								
53(a)	Trade Receivables Ageing schedule (Note - 15)								
	Particulars	As at 31 st March 2022					Unbilled	Not due	Total
		Outstanding for following periods from due date of payment							
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
	(i) Undisputed Trade receivables - considered good	198613	115864	105430	34477	9771	-	-	464155
	(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
	(iii) Undisputed Trade receivables - credit impaired	2	7	169	5	13874	-	-	14057
	(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	2	7	169	5	13874	-	-	14057	
Total	198613	115864	105430	34477	9771	-	-	464155	
	Contract Assets Ageing schedule (Note - 15A)								
	Particulars	As at 31 st March 2021					Unbilled	Not due	Total
		Outstanding for following periods from due date of payment							
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
	(i) Undisputed Trade receivables - considered good	337284	94334	92634	33840	8863	-	-	566955
	(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
	(iii) Undisputed Trade receivables - credit impaired	-	117	2204	-	11185	-	-	13506
	(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	-	117	2204	-	11185	-	-	13506	
Total	337284	94334	92634	33840	8863	-	-	566955	
53(b)	Contract Assets Ageing schedule (Note - 15A)								
	Particulars	As at 31 st March 2022					Unbilled	Not due	Total
		Outstanding for following periods from due date of payment							
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
	(i) Undisputed Trade receivables - considered good	416,027	114,219	145,053	62,633	85,255	58,047	-	881,234
	(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	4,752	-	-	4,752
	(iii) Undisputed Trade receivables - credit impaired	-	-	-	232	-	-	-	232
	(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	3,399	1,837	9,344	10,073	67,072	13,628	-	105,353	
Total	412,628	112,382	135,709	52,792	22,935	44,419	-	780,865	



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars										
53(b)	Particulars		As at 31 st March 2021						Unbilled	Not due	Total
			Outstanding for following periods from due date of payment								
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years				
	(i)	Undisputed Trade receivables - considered good	338455	86648	220150	115079	30191	57101	-	847624	
	(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	-	-	-	-	509	2347	-	2856		
	Total	338455	86648	220150	115079	29682	54754	-	844768		

Trade Payables Ageing schedule (Note - 31)

54(a)	Particulars	As at 31 st March 2022						
		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	3647	127	5	0	0	796	4575
	(ii) Otherthan Micro enterprises and Small enterprises	199860	11525	3560	30774	5323	360	251402
	(iii) Disputed dues - Micro enterprises and Small enterprises	0	0	0	0	0	0	0
	(iv) Disputed dues - Otherthan Micro enterprises and Small enterprises	0	0	0	0	0	0	0
	Total	203507	11652	3565	30774	5323	1156	255977
	Particulars	As at 31 st March 2021						
		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	5158	51	0	0	0	0	5209
	(ii) Otherthan Micro enterprises and Small enterprises	158966	20463	2615	21776	17045	0	220864
	(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	164124	20514	2615	21776	17045	0	226073



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars						
55	Additional Regulatory Information:						
	Title deeds of Immovable Property not held in name of the Company as at 31 st March 2022						
	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**
55A	PPE	Land 72.675 acres	1	Various Persons, Bangalore	N/A	1950's Approx.	Compendium Error. Estate department is 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 401.19 acres	4	No title deed	N/A	Since beginning but date is not available	We have been informed that possession of the said 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)
		Ghaukhera 16.81 acres	0.00	Exhibited as Audhyogik krishik, Land in Govt. record, Kanpur	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.
		Chak kuriyan 7.92 acres	0.00	Not appearing in govt. record, Kanpur	N/A	22/12/1965	
		Dahli Sujanpur 3.11 acres	0.00	Appearing as Vayuyaan Colony, Kanpur	N/A	15/12/1965	
		Land at Kasbe Sukena Railway Station : Approx. 196.22 Acres of rail siding	0.00	Govt. of Maharashtra	NO	Since inception of the Nashik Factory in 1964	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. At present the matter is with the Sub Divisional Magistrate, Niphad for necessary action
		Land at Ojhar : Approx. 68.95 Acres of land given by State Government.	0.00	Govt. of Maharashtra	NO	Since inception of the Nashik Factory in 1964	Matter is being followed up with Sub Divisional Magistrate, Niphad for making indenture.
		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.
		Building	NIL				
	Investment Property	Land	NIL				
		Building	NIL				
	Non-current asset held for sale	Land	NIL				
	Building	NIL					
Others		NIL					



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars						
Title deeds of Immovable Property not held in name of the Company as at 31 st March 2021							
	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**
55A	PPE	Land 72.675 acres	1	Various Persons	N/A	1950's Approx.	Compendium Error. Estate department is 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 401.19 acres	4	No title deed	N/A	Since beginning but date is not available	We have been informed that possession of the said 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)
		Ghaukhera 16.81 acres	0.00	Exhibited as Audhyogik krishik, Land in Govt. record, Kanpur	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.
		Chak kuriyan 7.92 acres	0.00	Not appearing in govt. record, Kanpur	N/A	22/12/1965	
		Dahli Sujampur 3.11 acres	0.00	Appearing as Vayuyaan Colony, Kanpur	N/A	15/12/1965	
		Land at Kasbe Sukena Railway Station : Approx. 196.22 Acres of rail siding	0.00	Govt. of Maharashtra	NO	Since inception of the Nashik Factory in 1964	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. At present the matter is with the Sub Divisional Magistrate, Niphad for necessary action
		Land at Ojhar : Approx. 68.95 Acres of land given by State Government.	0.00	Govt. of Maharashtra	NO	Since inception of the Nashik Factory in 1964	Matter is being followed up with Sub Divisional Magistrate, Niphad for making indenture.
		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.
		Building	NIL				
	Investment Property	Land	NIL				
		Building	NIL				
Non-current asset held for sale	Land	NIL					
	Building	NIL					
Others		NIL					



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars
55B	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.
55C	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.
55D	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: <ul style="list-style-type: none"> (a) repayable on demand; or (b) without specifying any terms or period of repayment.

Type of Borrower	As at 31 st March 2022		As at 31 st March 2021	
	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



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars									
55E	Capital Work-in-Progress(CWIP) Ageing schedule									
	CWIP	As at 31 st March 2022					As at 31 st March 2021			
		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	39494	19551	12757	22999	94801	20555	15085	23533	7042
	(ii) Projects temporarily suspended	-	-	-	-	-	-	-	-	-
	Total (tally with accounts)	39494	19551	12757	22999	94801	20555	15085	23533	7042

Capital Work-in-Progress(CWIP), whose completion is overdue or has exceeded its cost compared to its original plan: CWIP completion Schedule

55F	CWIP		As at 31 st March 2022				As at 31 st March 2021			
			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) Aerospace		29		-	-	57		-	-
55F	(ii) LCH		599	-	-	-	599	-	-	-
	(iii) ALH		142				95	69		
	(iv) LUH		3,013							
	(v) SU-30		18,336				6,029			
55F	(vi) General purpose CWIP		10,967	979			15,480	171		
	Projects where activity has been suspended									
	(i)									
	Total		33,086	979	-	-	22,260	240	-	-

Intangible assets under development - Ageing schedule

55G	Intangible assets under development		As at 31 st March 2022					As at 31 st March 2021				
			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		30884	24572	20278	82125	157859	24228	20735	38132	46545	129640
	(ii) Projects temporarily suspended		-	-	-	-	-	-	-	-	-	-
	Total(tally with accounts)		30884	24572	20278	82125	157859	24228	20735	38132	46545	129640

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**

55H	(CWIP) Intangible assets under development		As at 31 st March 2022				As at 31 st March 2021			
			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) Development projects		296	-	-	-	168	-	-	-
55H	(ii)		-	-	-	-	-	-	-	-
	Projects where activity has been suspended									
	(i)		-	-	-	-	-	-	-	-
	(ii)		-	-	-	-	-	-	-	-
	Total		296	-	-	-	168	-	-	-

** Details of projects where activity has been suspended.



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars							
Details of Benami Property held as at 31 st March 2022								
55I	Details of property	(a) year of acquisition	(b) Amount thereof	(c) Details of Beneficiaries	(d) If property is in the books, then reference to the item in the Balance sheet	(e) If property is not in the books, then the fact shall be stated with reasons,	(f) Where there are proceed- ings against the company under this law as an abettor of the transaction or as the trans- feror then the details shall be provided	(g) Nature of proceedings, status of same and company's view on same
		NIL	NIL	NIL	NIL	NIL	NIL	NIL
Details of Benami Property held as at 31 st March 2021								
	Details of property	(a) year of acquisition	(b) Amount thereof	(c) Details of Beneficiaries	(d) If property is in the books, then reference to the item in the Balance sheet	(e) If property is not in the books, then the fact shall be stated with reasons,	(f) Where there are proceed- ings against the company under this law as an abettor of the transaction or as the trans- feror then the details shall be provided	(g) Nature of proceedings, status of same and company's view on same
		NIL	NIL	NIL	NIL	NIL	NIL	NIL
55J	Where the Company has borrowings from banks or financial institutions on the basis of security of current assets	As at 31 st March 2022			As at 31 st March 2021			
	(a) Whether 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 limits of ₹ 205000 lakhs and Corporate loan of ₹ 183000 lakhs by consortium of Bankers. As on 31.03.2022, no fund based limits and Corporate Loans were utilised by the company against the sanctioned limits. Due to timing differences in filing the quarterly stock statements with the bank and finalisation of Audited Accounts,there is a difference between drawing power (DP) as submitted to the Banks and DP assessed based on the Quaterly Audited Accounts. However, the differences are not material.			The company has been sanctioned working capital limits of ₹ 1000000 lakhs, non-fund based limits of ₹ 205000 lakhs by consortium of Bankers. As on 31.03.2021, no fund based limits were utilised by the company against the sanctioned limits.			
	(b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed				The quarterly stock statements filed by the Company and the Books of Account are in agreement.			



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars		
	Wilful Defaulter		
	The company has not defaulted in payment of any dues to a Bank or Financial institutions.		
55K	(a) Date of declaration as wilful defaulter	NA	NA
	(b) Details of defaults(amount and nature of defaults)	NA	NA
55L	The company did not have any transactions with any Struck off Companies(under section 248 of Companies Act, 2013) as certified by the Management.		





Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars	31 st March 2022	31 st March 2021
55M	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.
55N	Compliance with number of layers of companies	NA	NA
55O	Ratios :		
	(a) Current Ratio	1.80	1.59
	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)	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)	Explanation for change in the ratio by more than 25% as compared to the preceding year
	(b) Debt-Equity Ratio	0.00	0.00
	Total Debt = Non-current borrowing(Note-24) + Current borrowing working capital loan - Cash Credit (Note-30) + Current borrowing from Banks - Commercial paper(Note-30)	Shareholder's Equity = Equity Share Capital(Note-22) + Other Equity(Note-23)	Not Applicable since, borrowed fund during the year is NIL.
	(c) Debt Service Coverage Ratio	-	-
	Earnings available for debt service = Profit after Tax + Depreciation and amortisation(Note-42) + Finance Cost (Note-41) + Loss on sale of assets	Debt Service = Finance cost(Note-41) + Principal repayment	Net Profit for the period increased due to differential sale on finalization of fixed price quotation.
	(d) Return on Equity Ratio	0.29	0.23
	Net Profits after taxes = Profit(Loss) for the period	Average Shareholder's Equity = Shareholder's Equity for current period + previous year / 2	There is a growth in sales during the current year as compared to previous year and also there is a considerable reduction in holding of inventory in the current period.
	(e) Inventory turnover ratio	1.57	1.24
	Sales = Total Sales (Note-36)	Average Inventory = Inventories (Note-13) for current period + previous year / 2	



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars		31 st March 2022		31 st March 2021
550	(f) Trade Receivables turnover ratio	Sales = Total Sales (Note-36)	4.73	2.66	77.81%
		Average Accounts Receivable = Trade Receivables (Note-8 and Note-15) for current period + previous year / 2			
	(g) Trade payables turnover ratio	Purchases = Purchases (Note-38)	3.25	2.77	17.36%
		Average Trade Payables = Trade payables (Note-25 and Note-31) for current period + previous year / 2			
	(h) Net capital turnover ratio	Sales = Total Sales (Note-36)	1.39	1.77	-21.32%
55P	(i) Net profit ratio	Net Profit = Profit (Loss) for the period from continuing operations	0.21	0.14	45.02%
	(j) Return on Capital employed	Earning before interest and taxes = Profit Before Tax + Finance Cost (Note-41)	0.27	0.30	-6.98%
	(k) Return on investment.	Capital Employed = Shares holder's Equity + Long Term Borrowings (Note-24) + Deferred tax liability (Note-28)			NA
	Compliance with approved Scheme(s) of Arrangements				NA
	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).			
55Q		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			
	Undisclosed Income				
55R		Details of any transaction 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.			
					NIL
					NIL



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars			
	Corporate Social Responsibility			
	Particulars	31 st March 2022	31 st March 2021	
	(a) amount required to be spent by the Company on CSR activities as per Companies Act, 2013	7884	7191	
	31 st March 2022			
555	Particulars	In Cash	Yet to be paid in Cash	Total*
	(b) Amount of expenditure incurred during the year on CSR activities			
	(i) Construction / Acquisition of any Assets	3,801	492	4,293
	(ii) On purposes other than (i) above	2,923	-	2,923
	Total	6,724	492	7,216
	31 st March 2021			
	Particulars	In Cash	Yet to be paid in Cash	Total
	(b) Amount of expenditure incurred during the year on CSR activities			
	(i) Construction / Acquisition of any Assets	3,178	937	4,115
	(ii) On purposes other than (i) above	3,548	196	3,744
	Total	6,726	1,133	7,859
* ₹ 7884 lakhs being 2% budget allocation as per Companies Act, 2013 and ₹ 884 lakhs surplus, generated in financial year 2020-21 through savings in energy charges from the Wind Power Plant established by the Company at Davanagere District, Karnataka as a CSR project which were utilised for other CSR projects/ activities during financial year 2021-22 and after adjusting ₹ 668 lakhs excess CSR expenditure incurred during 2020-21 total CSR expenditure to be spent during 2021-22 is ₹ 8100 lakhs. Out of this ₹ 7216 lakhs disclosed under Note -43 and balance ₹ 884 lakhs spent during the year and accounted against the liability created for savings in energy charges from the Wind Power Plant during 2020-21. The details of Expenditure spent during the year 2021-22 is given below:				
1	On going projects			2541
2.	Other than on going projects			5559
Total Expenditure incurred during the year				8100
In the year 2021-22, an amount of ₹ 825 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 2022-23 over and above the 2% budget allocation as per the Companies Act, 2013.				



Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements

(₹ in Lakhs)

Clause No.	Particulars		
	Particulars	31 st March 2022	31 st March 2021
	(c) Shortfall at the end of the year	-	-
	(d) Total of previous years shortfall	-	-
	(e) Reason for short fall	-	-
	(f) Nature of CSR activities:		
	Particulars		
	Drinking Water	-	114
	Education	1,135	1,516
	Environment Sustainability	124	360
	Facilities for Senior Citizens	20	-
	Healthcare	1,881	580
	Livelihood Generation	120	70
	Rural Development	388	2,240
	Sanitation	339	306
	Sports Development	364	182
	Skill Development	2,136	1,972
	Others	708	519
	Total	7,216	7,859
	(g) 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)	-	-
	(h) Movement in CSR Provision:		
	Opening Balance	-	-
	Additions	-	-
	Deletions	-	-
	Closing Balance	-	-
55T	Details of Crypto Currency or Virtual Currency	NIL	NIL





Notes to the Financial Statements for the year ended March 31, 2022

Note 49 - Notes to Financial Statements


(₹ in Lakhs)

Clause No.	Particulars
	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 March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, is as below.
56	<p>IndAS 16–Property Plant and equipment -The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.</p> <p>Ind AS 37–Provisions, Contingent Liabilities and Contingent Assets–The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.</p>
57	<p>The financial statements were approved for issue by the Board of Directors at their meeting held on 13th May 2022.</p> <p>These financial statements are presented in Indian rupees (rounded off to lakhs). Previous Year figures have been rearranged or regrouped wherever necessary.</p>

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Financial Statements As per our Report of even date

For and on behalf of the Board of Directors

For Maharaj N R Suresh and Co. LLP
Chartered Accountants
Firm Registration No. 001931S/S000020


CA N R Suresh
Partner
Membership No. 021661

Place: Bangalore
Date: 13.05.2022


(C. B. Ananthakrishnan)
Director (Finance) & CFO
DIN: 06761339


(R. Madhavan)
Chairman & Managing Director
DIN: 08209860


(G. V. Sesha Reddy)
Company Secretary



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 accompanying Consolidated Financial Statements of **Hindustan Aeronautics Limited** (hereinafter referred to as "the Holding Company") and its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group") and its Joint ventures listed in Annexure A, which comprise the Consolidated Balance Sheet as at March 31, 2022 and the Consolidated Statement of Profit and Loss, (the Consolidated Statement of Changes in Equity) and the Consolidated cash flows statement for the year then ended and notes to the Consolidated financial statements, including a summary of Significant 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 accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and its Joint Ventures as at March 31, 2022, of Consolidated Profit, (consolidated statement of changes in equity), and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements* section of our report. We are independent of the group and its Joint ventures in accordance with the ethical requirements relevant to our audit of the consolidated financial statements in India in terms *Code of Ethics* issued by ICAI, and the provisions of the Companies Act 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

a) Note:49 (9) (g)

COVID-19 Impact

Current year Impact:

Second wave of Covid-19 has forced the Group to declare for a phased Lockdown at various divisions on substitution basis during April and May 2021. The Employees will put in additional hours for the lost hours during lockdown period. The lost man hour was recovered in June and July 2021. The Group has shown improved performance in the last three Quarters (July to March 2022). Hence, there is no significant impact during the year ended 31.03.2022.

Anticipated Future Impact:

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

b) Note no. : 49 (19)

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 representatives 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 year ended 31 March 2022 by ₹ 5256 lakhs (Previous year: ₹ 14450 lakhs) and a consequential reduction in sales revenue for the year ended 31 March 2022 by ₹ 812 lakhs (Previous year: ₹ 5677 lakhs) .

While so, the Employees Union and Officers Association have filed Writ Petitions with Hon'ble High Court of Karnataka to stay recovery of excess amount of salary paid by the Company. The Hon'ble 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 Note No.19 for ₹ 24489 lakhs (Previous year ₹ 19368 lakhs)

In respect of employees who retired prior to 30 June, 2021, provision is made for the amount recoverable ₹ 2584 lakhs (Previous year: ₹ 2680 lakhs).The amount withheld from employees who retired after 30th June 2021 is kept under other liabilities ₹ 1835 lakhs (Previous year: ₹ NIL).Based on the final order that may be passed, suitable effect will be carried out in the accounts.

Our opinion is not modified in respect of these matters.

c) – Notes to Specific to Joint Ventures 49 (5)

(i) In respect of BAeHAL Software Limited

Unbilled Revenues

The company has shown Unbilled Revenues valuing ₹ 695.05 Lakhs (P.Y.938.25 Lakhs) shown under Revenue from operations & under Current Assets-Others in Balance Sheet and are expected to be invoiced latest by August 2022 as per best possible estimate given by management. The company is executing multiple projects spanning over multiple years. End customers keep making changes in requirements of the deliverables, this leads to delay in delivery of the products.

The Unbilled Revenue of ₹ 231.33 Lakhs is pending for more than 3 years which pertains to TPM projects amounting to ₹ 109.47 Lakhs and RTS projects amounting to ₹ 121.86 Lakhs. Delay in completion of billable milestones due to multiple changes in the scope/project requirement by the customers, resulting to redoing the IETM tool, delay in testing & approvals from end customers has caused the delay. However now the requirements are finalized and the same is expected to billed during the F.Y. 2022-23

(ii) In respect of HATSOFF Helicopter Training Private Limited

Going Concern

The Company has made a net profit of ₹ 911.20 Lakhs during the period ended 31 March, 2022 and, as of that date, the Company's current liabilities exceeded its current assets. In addition to this, as at the balance sheet date, the Company has significant accumulated losses which have resulted in erosion of the net worth. The networth of the Company as at 31 March, 2022 is negative by ₹ 3285.02 Lakhs (as at 31 March, 2021 negative by ₹ 4196.22 Lakhs). However, these financial statements have been prepared on a going concern basis, notwithstanding the above factors in view of the following:

- 1) Board has affirmed that Company has the ability to meet all the obligations.
- 2) The Company is 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 loan interest upto 05 September, 2020. Besides payment, ECB principal of ₹ 3103 lakhs (US\$ 4,132,244) has been paid against ECB overdue installments during the financial year at various dates.
- 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.



(iii) In respect of HALBIT Avionics Private Ltd

The Company has the following conditions that may cast doubt on its ability to continue as a going concern viz., Net liability position (improved to ₹ 1111 lakhs as at 31 March, 2022 from ₹ 1164 lakhs as at 31 March, 2021); Net current liability position (improved to ₹ 1176 lakhs as at 31 March, 2022 from ₹ 1179 lakhs as at 31 March, 2021). Despite these conditions, its current liability to creditor, though recorded, isn't payable immediately, as they are yet to complete part performance of their obligation and being a shareholder-joint venture partner themselves, the Company has drawn up financial plans to liquidate the liability in a phased manner. The Company, based on its estimated future growth as per the business plans and projected cash flow, is confident of funding its operating and capital expenditure and continue business operations in the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

(iv) In respect of TATA HAL Technologies Ltd

Pursuant to the Board Resolution dated 08th June 2021, the company has filed the application for voluntary liquidation to MCA in terms of Section 59 of the Insolvency and Bankruptcy Code, 2016 and the official liquidator is appointed. As the company is under liquidation, the joint venture is not considered for consolidation.

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

(v) In respect of Infotech HAL Ltd

The audited 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.

(vi) In respect of HAL Edgewood Technologies Private Limited

The Joint Venture Company has not prepared the financial statements from the year ended 31st March 2021, and accordingly not considered for consolidation.

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

Our opinion is not modified in respect of the above matters

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the 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 judgements 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: <ul style="list-style-type: none"> 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 accounting 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.



Key Audit Matters	Response to Key Audit Matters & Conclusion
	<ul style="list-style-type: none"> Selected a sample of continuing and new contracts and performed the following procedures: Read, analyzed and identified the distinct performance obligations in these contracts. Compared these performance obligations with that of identified and recorded by the Company. 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.
<p>b) Impairment of Trade Receivables</p> <p>In respect of receivables from Government the Company does not make any impairment provision based on past experience.</p> <p>The amount involved being significant balance and management judgement we consider this as a Key Audit Matter</p>	<p>We have verified the</p> <ul style="list-style-type: none"> 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. <p>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</p>
<p>c) Liquidated damages</p> <p>The Company's contract with the customer has standard clause for Liquidated damages for delayed delivery. The Company's product have 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 a significant in the statement of profit and loss is considered a key audit matter in our opinion.</p>	<p>We have verified the controls, period of delay, the expected days of delay as on 31.03.2022 and also the calculation for the liquidated damages recognized and found the system followed and calculation to be in order.</p>
<p>d) Work – in - Progress (WIP) - Inventories</p> <p>Inventories include Work in Progress which have been physically verified by the management based on physical verification instructions.</p>	<p>Our Audit Procedures include review of</p> <ul style="list-style-type: none"> Physical Verification instructions Physical verification reports Roll back procedures Examining the basis of valuation on a test check basis <p>Based on the above audit procedures we conclude that the valuation of WIP is proper.</p>



Key Audit Matters	Response to Key Audit Matters & Conclusion
<p>e) Revision of pay</p> <p>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 is to be revised and the excess amount paid is to be recovered from the employees.</p> <p>The revision has resulted in reduction of salaries and wages for the year ended 31 March 2022 by ₹ 5256 lakhs (Previous year: ₹ 14450 lakhs) and consequential reduction in sales revenue for the year ended 31 March 2022 by ₹ 812 lakhs (Previous year: ₹ 5677 lakhs) .</p> <p>While so, the Employees Union and the 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 has granted interim stay on recoveries, pending final disposal of the writ petitions by the High Court, the excess amount is shown under claims recoverable Note No.19 ₹ 24489 lakhs (Previous year ₹ 19368 lakhs)</p> <p>In respect of employees who retired prior to 30 June, 2021, provision is made for the amount recoverable ₹ 2584 lakhs (Previous year: ₹ 2680 lakhs).The amount withheld from employees who retired after 30th June 2021 is kept under other liabilities ₹ 1835 lakhs (Previous year: ₹ NIL).</p>	<p>We have verified the Audit para given by PDCA Bangalore, and the directives given by the Administrative Ministry dated 07.04.2021.</p> <p>We have verified the Copies of the writ petition filed by the employees, the interim orders of the Hon'ble High Court and the legal opinion from the company counsel.</p> <p>We verified the internal control and the programme logic for recalculation of the employees cost and also made test check on walk through basis .Based on the above audit procedures we are satisfied with accounting treatment followed for employees benefits expenses, recognition of the amount recoverable, and the provision relating to retired employees.</p>

Information Other than the Financial Statements and Auditors Reports Thereon

The Holding Company's Board of Directors is responsible for the other information's. The other information comprises the information included in the Board's Report, Management Discussion & Analysis Report, Business Responsibility Report, but does not include the financial statements and our auditor's report thereon. The Board's Report, Management Discussion & Analysis Report, Business Responsibility Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the reports, if we conclude that there is a material misstatement there in, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act ,2013 that give a true and fair view of the consolidated financial



position, consolidated financial performance, (Consolidated 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 Accounting Standards 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 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated financial statements by the 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 the Board of Directors either intends to liquidate the group or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its Joint ventures 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial 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 misstatement 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 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 on whether the Company has adequate internal financial controls system 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 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 ability of 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 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 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

- (a) We did not audit the financial statements/financial information of Two subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 3375 Lakhs as at 31st March 2022, total revenues of ₹ 478 lakhs and net cash flows amounting to ₹ 1017 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 ₹ 23 lakhs for the year ended 31st March, 2022, as considered in the consolidated financial statements, in respect of Nine 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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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, (the Consolidated Statement of Changes in Equity) and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 Accounting Standards prescribed under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23rd February 2018 has exempted the companies engaged in defense production to the extent of application of relevant Accounting Standard on Segment Reporting. In view of the above, no disclosure is made by the Group as required 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
- 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) With respect to the adequacy of internal financial controls with reference to Consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”
- h) 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, 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 4 (a) & (b) ,49 (19) and 49 (21) to the consolidated financial statements)
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts as on March 31, 2022; The Group and its Joint Ventures did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor education and protection fund by the Holding Company and its subsidiary companies and joint ventures incorporated in India
 - iv.
 - (a) The management has represented that, to the best of it’s 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 it’s 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 mis-statement.
 - v)
 - a) The Company has not declared any final dividend for the financial year 2020-2021.
 - b) The interim dividends declared on 11.11.2021 and 10.02.2022 for the financial year 2021-2022 and paid by the Company during the year is in accordance with Section 123 of the Companies Act, 2013.
 - c) The Company has not proposed any final dividend up to the date of our report.



2. With respect to the matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order 2020, to be included in the Auditors report, and based on the CARO report issued by us for the Company and its subsidiaries and Joint ventures included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO Reports.

For Maharaj N R Suresh and Co. LLP

Chartered Accountants

Firm Registration No. 001931S/S000020



N R Suresh

Partner

MNO: 021661

UDIN:22021661AIXLYB3372

Place: Bengaluru

Date: 13.05.2022





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 Russian Aviation Ltd
4	HALBIT Avionics Pvt. Ltd
5	SAMTEL HAL Display Systems Ltd
6	Hatsoff Helicopter Training Pvt. Ltd.
7	International Aerospace Manufacturing Pvt.Ltd.
8	Multirole Transport Aircraft Ltd
9	Helicopter Engines MRO Pvt. Ltd
10*	HAL Edgewood Technologies Private Limited
11*	Infotech HAL Limited
12*	Tata HAL Technologies Limited

- **Not considered in Consolidation as the financial statements were not made available till the date of our report. Please refer points (iv) to (vi) of Emphasis of matter paragraph in our Report.**



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 Sub-section 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 March 31, 2022, we have audited the Internal Financial Controls with reference to Consolidated financial statements of **HINDUSTAN AERONAUTICS LIMITED** ('the Holding Company') and its Subsidiary Companies and Joint Ventures, 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.

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 in terms of their Reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system with reference to Consolidated financial statements of the Group and its Joint Ventures.

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:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;



- (ii) 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
- (iii) 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 March 31, 2022, 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.

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 .

For Maharaj N R Suresh and Co. LLP

Chartered Accountants
FRN No.001931S/S000020



N R Suresh

Partner

MNO: 021661

UDIN:22021661AIXLYB3372

Place: Bengaluru
Date: 13.05.2022



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W.No. Report 6/2022-23/HAL(AI-22)/130

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य
लेखापरीक्षा बोर्ड वन बज्जालय, बंगलुरु - 560 001.
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT and ex-Officio MEMBER, AUDIT BOARD,
BENGALURU - 560 001.

दिनांक/DATE 07-07-2022

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 2022.

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,



(Arun Kumar VM)
Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बंगलुरु - 560 001.
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

दूर.सं./Phone : 2226 7646 / 2226 1168
Email : mabbangalore@cag.gov.in

फैक्स /Fax : 080-2226 2491



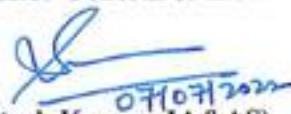
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES
ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN
AERONAUTICS LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2022.**

The preparation of consolidated financial statements of **Hindustan Aeronautics Limited, Bengaluru** for the year ended 31 March 2022 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/ auditors 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 them vide their Audit Report dated 13 May 2022.

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 2022 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 and of the one joint venture company viz., Defence Innovation Organisation, Bengaluru (jointly owned by HAL and BEL), but did not conduct supplementary audit of the financial statements of two Subsidiaries, viz., Indo Russian Helicopters Limited, Bengaluru, Naini Aerospace Limited, Prayagraj and of thirteen Joint Ventures 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 thirteen Joint Venture Companies being private entities, 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 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 statutory auditors' report under section 143 (6)(b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**



(Santosh Kumar, IA&AS)

**Pr. Director of Commercial Audit
& Ex-Officio Member, Audit Board, Bengaluru.**

**Place: Bengaluru
Date: 07 July 2022.**



ANNEXURE

List of Joint Venture Companies of Hindustan Aeronautics Limited for which supplementary audit of the Financial Statements not conducted by this office

I. Joint Venture Companies

01. BAe-HAL Software Limited
02. Indo-Russian Aviation 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. TATA HAL Technologies Limited
10. International Aerospace Manufacturing Private Limited
11. Multirole Transport Aircraft Limited
12. Helicopter Engine MRO Private Limited

II. Joint Venture Company under Section 8 of the Companies Act, 2013.

13. Aerospace and Aviation Sector Skill Council



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लेखापरीक्षा बोर्ड का कार्यालय, बंगलूरु - 560 001.
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT and ex-Officio MEMBER, AUDIT BOARD,
BENGALURU - 560 001.

दिनांक/DATE. 20/06/2022

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 2022.

It may please be ensured that the Comments are:

- (i) printed in *note* 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,


(Arun Kumar VM)
Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT

प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बंगलूरु - 560 001.
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

ह.म. /Phone : 2226 7646 / 2226 1168
Email : maibangalore@cag.gov.in

फैक्स /Fax : 080-2226 2491

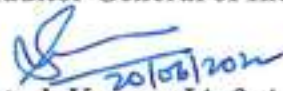


COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NAINI AEROSPACE LIMITED, PRAYAGRAJ FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of Naini Aerospace Limited, Prayagraj for the year ended 31 March 2022 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 23.04.2022.

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 2022 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**



(Santosh Kumar, IA & AS)

**Pr. Director of Commercial Audit
and Ex-Officio Member, Audit Board, Bangalore**

Place: Bengaluru
Date: 20 June 2022.



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प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य 119
लेखापरीक्षा बोर्ड का कार्यालय, बंगलूरु - 560 001.
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT and ex-Officio MEMBER, AUDIT BOARD,
BENGALURU - 560 001.

दिनांक/ DATE, 20.06.2022

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.

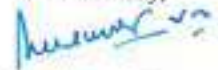
I forward herewith Non-Review Certificate of the Comptroller and Auditor General
of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Indo-
Russian Helicopters Limited, Bengaluru for the year ended 31 March 2022.

It may please be ensured that the Comments are:

- (i) printed in *full* 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,



(Arun Kumar VM)
Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT

प्रथम तल, बासा भवन, श्री बासावेश्वर रोड, बंगलूरु - 560 001.
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

टू वॉल/Phone : 2226 7646 / 2226 1168
Email : mabbangalore@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 2022

The preparation of financial statements of Indo-Russian Helicopters Limited, Bengaluru for the year ended 31 March 2022 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 27.04.2022.

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 2022 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**



**(Santosh Kumar, IA & AS)
Pr. Director of Commercial Audit
and Ex-Officio Member, Audit Board, Bangalore**

Place: Bengaluru
Date: 20 June 2022.



Consolidated Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1			
Gross Block	1A	1062777	1021577	940328
Less: Accumulated Depreciation	1B	470019	399399	328992
Less: Impairment	1C	0	0	0
Net Block		592758	622178	611336
(b) Capital work-in-progress	2	94910	66333	73727
(c) Investment Property	3			
Gross Block	3A	4	4	4
Less: Accumulated Depreciation	3B	1	1	1
Less: Impairment	3C	0	0	0
Net Block		3	3	3
(d) Goodwill	4			
(e) Other Intangible assets	5			
Gross Block	5A	337538	295629	250557
Less: Accumulated Amortization	5B	200704	161396	116429
Less: Impairment	5C	53007	39826	33441
Net Block		83827	94407	100687
(f) Intangible Assets under Development	6			
Gross Block	6A	157859	129640	119282
Less: Accumulated Amortization	6B	0	0	0
Less: Impairment	6C	5475	1013	1013
Net Block		152384	128627	118269
(g) Investments accounted for using the Equity Method	7	16779	16096	15754
(h) Financial Assets				
(i) Investments	7A	119491	96036	89370
(ii) Trade Receivables	8	0	0	0
(iii) Contract Assets	8A	0	0	0
(iv) Loans	9	623	750	956
(v) Other Financial Assets	10	41030	38339	38353
(i) Deferred tax Assets (Net)	11	56557	5235	47011
(j) Other Non-Current Assets	12	181464	70635	62784
Total non-current assets		1339826	1138639	1158250
Current assets				
(a) Inventories	13	1434728	1667300	1955863
(b) Financial Assets				
(i) Investments	14	0	0	0
(ii) Trade receivables	15	464153	566805	1126395
(iii) Contract Assets	15A	780865	844768	786227
(iv) Cash and Cash Equivalents	16	307037	714615	27932
(v) Bank Balances other than Cash and Cash Equivalents	17	1127735	3120	3724
(vi) Loans	18	821	780	1177
(vii) Other Financial Assets	19	102323	100782	117139
(c) Current Tax Assets (Net)	20	0	0	3531
(d) Other current Assets	21	280899	139592	129267
Total current assets		4498561	4037762	4151255
Assets held for Sale	Clause 14.9 of Note 49	811	0	0
Total Assets		5839198	5176401	5309505



Consolidated Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	22	33439	33439	33439
(b) Other Equity	23	1897874	1508951	1291926
Equity attributable to owners of the parent		1931313	1542390	1325365
Non-controlling interest		375	391	431
Total equity		1931688	1542781	1325796
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	0	0	0
(ia) Lease Liabilities	24A	241	231	221
(ii) Trade payables	25			
A) total outstanding dues of micro enterprises and small Enterprises		0	0	0
B) total outstanding dues of creditors other than micro enterprises and Small Enterprises		0	0	0
Sub Total- Trade payables		0	0	0
(iii) Other Financial Liabilities	26	52470	49329	54986
(b) Provisions	27	126301	125604	128875
(c) Deferred Tax Liabilities (Net)	28	0	0	0
(d) Other Non-Current Liabilities	29	1226244	917130	691278
Total non-current liabilities		1405256	1092294	875360
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	30	0	907	588650
(ia) Lease Liabilities	30A	8	8	8
(ii) Trade payables	31			
A) total outstanding dues of micro enterprises and small Enterprises		4575	5209	4866
B) total outstanding dues of creditors other than micro enterprises and Small Enterprises		251186	220351	404334
Sub Total- Trade payables		255761	225560	409200
(iii) Other Financial liabilities	32	185360	195282	249705
(b) Other Current Liabilities	33	1475515	1683709	1298518
(c) Provisions	34	505696	393606	504192
(d) Current tax liabilities (Net)	35	79914	42254	58076
Total current liabilities		2502254	2541326	3108349
Total Equity and Liabilities		5839198	5176401	5309505

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Financial Statements As per our Report of even date

For and on behalf of the Board of Directors

For Maharaj N R Suresh and Co. LLP
Chartered Accountants
Firm Registration No. 001931S/S000020



CA N R Suresh
Partner
Membership No. 021661

Place: Bangalore
Date: 13.05.2022


(C. B. Ananthkrishnan)
Director (Finance) & CFO
DIN: 06761339


(R. Madhavan)
Chairman & Managing Director
DIN: 08209860


(G. V. Sesha Reddy)
Company Secretary



Consolidated Statement of Profit and Loss

for the year ended 31st March 2022

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
	REVENUE			
I	Revenue from Operations	36	2462002	2288232
II	Other Income	37	98493	35745
III	Total Income (I+II)		2560495	2323977
IV	EXPENSES			
	Cost of Materials Consumed	38	875224	791211
	Purchases of Stock-in-Trade	38A	65668	82116
	Changes in Inventories of Finished Goods, Stock-in-Trade, Work-in-Progress and Scrap	39	59230	245814
	Employee Benefits Expense	40	460442	430517
	Finance Costs	41	5820	25917
	Depreciation and Amortization Expense	42	111053	115789
	Impairment Loss	42A	17643	6385
	Other Expenses	43	121086	120954
	Direct Input to WIP / Expenses Capitalised	44	32315	25977
	Provisions	45	372954	145026
	Total Gross Expenses		2121435	1989706
	Less: Expenses relating to Capital and Other Accounts	46	83416	93394
	Total expenses (IV)		2038019	1896312
V	Profit/(Loss) before Share of Profit/(Loss) of Joint Ventures, Exceptional items and Tax (III-IV)		522476	427665
VI	Share of Profit/(Loss) of Joint Ventures accounted using Equity Method		-23	481
VII	Profit/(Loss) before Exceptional items and Tax (V+VI)		522453	428146
VIII	Exceptional Items		0	202
IX	Profit/(loss) before tax (VII+VIII)		522453	428348
X	Tax expense:			
	(1) Current Tax		190000	64500
	(2) Earlier Year Tax Refund		-119273	-4933
	(3) Deferred Tax		-56262	44226
XI	Profit (Loss) for the period from Continuing Operations (IX-X)		507988	324555
XII	Profit/(loss) from Discontinued Operations			
XIII	Tax expense of Discontinued Operations			
XIV	Profit/(loss) from Discontinued Operations (after tax) (XII-XIII)		0	0
XV	Profit/(loss) for the period (XI+XIV)		507988	324555
XVI	Other Comprehensive Income (OCI)			
A	(i) Items that will not be reclassified to profit or loss	47	19607	-9687
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method		7	-17
	(iii) Income tax benefit/(expense) on the items that will not be reclassified to Profit or Loss		-4940	2450



Consolidated Statement of Profit and Loss

for the year ended 31st March 2022

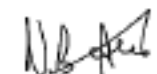
(₹ in Lakhs)

Sr. No.	Particulars	Note No.	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
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
	(iii) Income tax benefit/(expense) on items that will be reclassified to Profit or Loss		0	0
	Total Other Comprehensive Income (A + B)		14674	-7254
XVII	Total Comprehensive Income for the period (XV+XVI) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		522662	317301
	Profit/(Loss) for the period			
	Attributable to:			
	Owners of the parent		508004	324595
	Non Controlling interest		-16	-40
	Other Comprehensive Income for the period			
	Attributable to:			
	Owners of the parent		14674	-7254
	Non Controlling interest			
	Total Comprehensive Income for the period			
	Attributable to:			
	Owners of the parent		522678	317341
	Non Controlling interest		-16	-40
XVIII	Earnings per Equity Share (for Continuing Operations):	Clause 31 of Note 49		
	(1) Basic (₹)		151.92	97.06
	(2) Diluted (₹)		151.92	97.06
XIX	Earnings per Equity Share (for Discontinued Operations):			
	(1) Basic (₹)		0.00	0.00
	(2) Diluted (₹)		0.00	0.00
XX	Earnings per Equity Share (for Continuing & Discontinued Operations):			
	(1) Basic (₹)		151.92	97.06
	(2) Diluted (₹)		151.92	97.06

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Financial Statements
As per our Report of even date

For and on behalf of the Board of Directors

For Maharaj N R Suresh and Co. LLP
Chartered Accountants
Firm Registration No. 001931S/S000020



CA N R Suresh
Partner
Membership No. 021661

Place: Chennai
Date: 13.05.2022



(C. B. Ananthakrishnan)
Director (Finance) & CFO
DIN: 06761339



(R. Madhavan)
Chairman & Managing Director
DIN: 08209860



(G. V. Sesha Reddy)
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March 2022

A. Equity Share Capital

Particulars	Balance as at 1 April, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1 April, 2021	Changes in Equity Share Capital for the year ended 31 March, 2022	Balance as at 31 March, 2022
(₹ in Lakhs)					
Equity Share Capital	33439	0	33439	0	33439
Particulars	Balance as at 1 April, 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1 April, 2020	Changes in Equity Share Capital for the year ended 31 March, 2021	Balance as at 31 March, 2021
(₹ in Lakhs)					
Equity Share Capital	33439	0	33439	0	33439

B. Other Equity (Refer Note 23)

Particulars	Research and Development Reserve	Capital Redemption Reserve	General Reserve	Retained earnings	Other Equity	Other Comprehensive Income	Total equity attributable to equity holders of the Company	Non- controlling interest	Total other Equity
(₹ in Lakhs)									
Balance as at 1 April, 2021	133727	14761	1360424		0	16	1508951	391	1509342
Changes in Other Equity due to changes in accounting policy or prior period errors							0		0
Restated Balance at 1 April, 2021	133727	14761	1360424	0	0	16	1508951	391	1509342
Changes in Other Equity for the year ended 31 March, 2022									
Profit for the year ended 31 March, 2022				508004			508004	-16	507988
Remeasurements of the net defined benefit liability/asset				14667			14667		14667
Items that will not be reclassified to profit or loss					19607		19614		19614
Income tax relating to items that will not be reclassified to profit or loss				-4940		0	-4940		-4940
Transfer to Retained Earnings					-14667		-14667		-14667
Total comprehensive income for the year ended 31 March, 2022				522671	0	0	522678	-16	522662
Current year transfer	31596						31596		31596
Transfer to General Reserve on utilization Surplus Transferred from Statement of Profit and Loss	-3985		357320				-3985		-3985
Transfer from Research & Development Reserve			3985				3985		3985
Transfer to Research & Development Reserve			-31596				-31596		-31596
Interim Dividend			-133755				-133755		-133755
Transfer to General Reserves			-357320				-357320		-357320
Balance as at 31 March, 2022	161338	14761	1721729	0	0	16	1897874	375	1898249
Balance as at 1 April, 2020	108732	14761	1231742	-63879	0	16	1291412	431	1291843
Changes in Other Equity due to changes in accounting policy or prior period errors			514				514		514

Consolidated Statement of Changes in Equity for the year ended 31st March 2022

B.Other Equity (Refer Note 23)

Particulars	Other Equity					Share of Other Comprehensive Income in Joint Venture	Total equity attributable to equity holders of the Company	Non-controlling interest	Total other Equity
	Research and Development Reserve	Capital Redemption Reserve	General Reserve	Retained earnings	Remeasurements of net defined benefit liability/asset	Exchange differences in translating the financial statements of a foreign operation			
Restated Balance at 1 April, 2020	108732	14761	1232256	0	-63879	16	40	431	1292357
Changes in Other Equity for the year ended 31 March, 2021									
Profit for the year ended 31 March, 2021				324595	-9687		-17	-40	324555
Items that will not be reclassified to profit or loss									-9704
Remeasurements of the net defined benefit liability/asset				-7237					-7237
Income tax relating to items that will not be reclassified to profit or loss					2450				2450
Transfer to Retained Earnings					7237				7237
Total comprehensive income for the year ended 31 March, 2021				317358	0	0	-17	-40	317301
Transfer from Other Comprehensive Income				-63879					-63879
Transfer to Retained Earnings					63879				63879
Current year transfer	29599								29599
Transfer to General Reserve on utilization	-4604								-4604
Surplus Transferred from Statement of Profit and Loss			123564						123564
Transfer from Research & Development Reserve			4604						4604
Transfer to Research & Development Reserve			-29599						-29599
Final Dividend			-100316						-100316
Transfer to General Reserves			-123564						-123564
Balance as at 31 March, 2021	133727	14761	1360424	0	0	16	23	391	1509342

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Financial Statements

As per our Report of even date

For and on behalf of the Board of Directors

For Maharaj N R Suresh and Co. LLP

Chartered Accountants

Firm Registration No. 001931/S/0000020

(C. B. Ananthakrishnan)

Director (Finance) & CFO

DIN: 06761339

(R. Madhavan)

Chairman & Managing Director

DIN: 08209860

CA N R Suresh

Partner

Membership No. 021661

Place: Bangalore

Date: 13.05.2022

(G. V. Sesha Reddy)

Company Secretary



Consolidated Statement of Cash Flows

for the year ended 31st March 2022

(₹ in Lakhs)

Sl. No.	Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
A	Cash flow from Operating activities		
	Profit After Tax	507988	324555
	Adjustments to reconcile net profit to net cash provided by operating activities		
	Income Tax expense	14465	103793
	(Gain)/Loss on sale of Property, Plant & Equipment	-157	-12
	Finance cost	253	20442
	Interest Income	-42496	-8923
	Share of Profit or Loss of Joint Venture	23	-481
	Other Adjustments	19	-14
	Net (Gain)/Loss on Fair Value Adjustment	313	64
	Depreciation, amortization and impairment expense	128696	122174
	Provision for Impairment in Value of Investments	86	25
	Provision for Doubtful Debts	105418	1426
	Provision for Doubtful Claims	6777	2955
	Provision for Replacement and Other charges	78729	21175
	Provision for Warranty	51544	32561
	Provision for Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials and Inventory - Warranty	56005	43009
	Provision for Liquidated Damages	74395	43875
	Provision for Onerous Contract	0	-32183
	Operating Profit Before Working Capital Changes	982058	674441
	Adjustments for:		
	(Increase)/decrease in Trade Receivables	61137	499623
	(Increase)/decrease in Loans, Financial Assets and Other Assets	-161416	-10515
	(Increase)/decrease in Inventories	176567	245554
	Increase/(decrease) in Trade Payables	30201	-183640
	Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities	20049	373784
	Cash generated from Operations	1108596	1599247
	Income Taxes Paid	-105318	-87547
	Net Cash (used in)/generated from Operating Activities (A)	1003278	1511700
B	Cash flow from Investing activities		
	Purchase of Property, Plant & Equipment	-79929	-65430
	Purchase of Intangible Assets	-70128	-55430
	Proceeds from sale of Property, Plant & Equipment	317	123
	Investment in Joint Ventures	-1000	0
	Purchase of other non current Investments	-23455	-6666
	Investment in short term deposits	-1124615	604
	Interest Received	22663	7689
	Dividend Received from Joint Ventures	196	111
	Share application money refunded by Joint Venture	0	1000
	Net Cash (used in)/generated from Investing Activities (B)	-1275951	-117999



Consolidated Statement of Cash Flows

for the year ended 31st March 2022

(₹ in Lakhs)

Sl. No.	Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
C	Cash flow from Financing Activities		
	Repayment of Borrowings-Current (Net)	-907	-585980
	Payment of Lease Liabilities	-7	-297
	Interest paid	-236	-20425
	Dividend Paid	-133755	-100316
	Net Cash (used in)/generated from Financing Activities (C)	-134905	-707018
D	Effect of Exchange differences on translation of foreign currency cash and cash equivalents	0	0
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C+D)	-407578	686683
	Add: Cash and Cash Equivalents at the beginning of the year (Refer Note 16)	714615	27932
	Cash and Cash Equivalents at the end of the year (Refer Note 16)	307037	714615

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Financial Statements

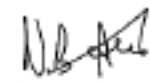
Notes:

- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 "Statement of Cash Flow"
- Cash & Cash equivalent include Short Term Deposits with Bank
- Previous year figures are rearranged or regrouped wherever necessary
- Cash and Cash Equivalents are available fully for use

As per our Report of even date

For and on behalf of the Board of Directors

For Maharaj N R Suresh and Co. LLP
Chartered Accountants
Firm Registration No. 001931S/S000020


CA N R Suresh
Partner
Membership No. 021661

Place: Bangalore
Date: 13.05.2022


(C. B. Ananthakrishnan)
Director (Finance) & CFO
DIN: 06761339


(R. Madhavan)
Chairman & Managing Director
DIN: 08209860


(G. V. Sesha Reddy)
Company Secretary



Significant Accounting Policies for the financial year 2021-22

1. BACKGROUND AND BASIS OF ACCOUNTING:

- 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 with relevant rules of the Companies (Indian Accounting Standards) Rules. The principles of consolidation are enumerated in Note 49(2) –Consolidated Notes to Financial Statements.

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. PROPERTY, PLANT AND EQUIPMENT(PPE):

- a) Property, Plant and Equipment are stated at cost net of 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.



Significant Accounting Policies for the financial year 2021-22

- 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.

3.1: 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.

4. 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 stated at cost net of accumulated depreciation and accumulated impairment losses, 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.

5. INTANGIBLE ASSETS

- a) Intangible Assets controlled and from which future economic benefits are expected to flow and having useful life are recognized at cost less any accumulated amortization and accumulated 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.



Significant Accounting Policies for the financial year 2021-22

- 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.

6. LEASE ACCOUNTING

6.1. 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.

6.2. The 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.

6.3. 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.

6.3.1 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.



Significant Accounting Policies for the financial year 2021-22

6.3.2 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.

6.4. 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.

7. 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) Investments are carried individually at cost less accumulated impairment in the value of such Investments.
- c) Cost of Investment includes acquisition charges such as brokerage, fees and duties.
- d) 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.
- e) 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.

8. IMPAIRMENT OF ASSETS

As at each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. 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.

9. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company recognizes all Financial Assets other than non-current investments and Financial Liabilities at Fair Value on inception and subsequent measurements are done at amortised cost.

10. 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.



Significant Accounting Policies for the financial year 2021-22

11. 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.

12. INVENTORIES

- a) Inventories are valued at lower of Cost and 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) Saleable / Disposable scrap is valued at Net Realisable Value.
- e) Stores declared surplus / unserviceable / redundant are charged to revenue in the year of such identification.
- f) Consumables issued from stores and lying unused at the end of the year are not reckoned as inventory.

13. REVENUE RECOGNITION

13.1. 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. 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.

13.2. Development Contracts

- a) Revenue is recognized over a period of time on incurrance of expenditure identifiable to work orders:



Significant Accounting Policies for the financial year 2021-22

- 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.

13.3. 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.

13.4. 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.

13.5. 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.

14. Receivables

- a) 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.
- b) 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 credit risk of such financial assets.
- c) Impairment on account of expected credit loss is being assessed on a case to case basis in respect of dues outstanding for a significant period of time.

14.1. 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.

15. EMPLOYEE BENEFITS

- a) Gratuity and Provident Fund are Defined Benefit Plans and the liability is provided on the basis of actuarial valuation in respect of eligible employees and is remitted to the trust progressively.
- b) Provision for Earned leave is a Defined Benefit Plan and the liability is provided on the basis of actuarial valuation.
- c) Pension Scheme and Post Superannuation Group Health Insurance Scheme for employees are Defined Contribution Plans and the contribution to the corpus of the same is made by the Company to the respective trust. The Company's liability is limited to the extent of contribution made to these trusts.



Significant Accounting Policies for the financial year 2021-22

16. FOREIGN CURRENCY TRANSACTION/TRANSLATION

a) 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.

b) 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.

c) 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.

17. 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.

18. 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.

19. 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.

19.1 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.

19.2 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.



Significant Accounting Policies for the financial year 2021-22

19.3 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.

20. 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.

21. 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.

22. The functional currency of the Company is Indian Rupee.



(C. B. Ananthakrishnan)
Director (Finance) & CFO
DIN: 06761339



(R. Madhavan)
Chairman & Managing Director
DIN: 08209860



(G. V. Sessa Reddy)
Company Secretary

Place: Bengaluru
Date: 13.05.2022



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 1 - Plant, Property and Equipment

Note 1A - Gross Block - Plant, Property and Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2022 are as follows:

(₹ in Lakhs)

Particulars	Gross block as at 1 st April 2021	Additions	Reclassification /Adjustment	Disposals	Gross Block as at 31 st March 2022
Own Assets:					
Land -					
- Leasehold	35	0	0	0	35
- Freehold	1947	0	0	0	1947
Buildings	125407	1662	-444	32	126593
Plant and Equipment	227485	9689	-50	715	236409
Furniture and Fixtures	8536	634	0	192	8978
Vehicles	8875	387	0	161	9101
Office Equipment	13446	1528	19	76	14917
Others	4525	0	0	0	4525
Assets used for CSR Activities					
Roads and Drains	5864	95	0	0	5959
Water Supply	3869	1046	0	0	4915
Rail Road Sidings	0	0	0	0	0
Runways	1776	0	0	0	1776
Aircraft/Helicopters	32352	0	0	0	32352
Sub Total	434117	15041	-475	1176	447507
Special Tools	578040	28255	0	0	606295
Total Own Assets:	1012157	43296	-475	1176	1053802
Right -of -Use Asset:					
Land	1312	0	-445	0	867
Buildings	8108	0	0	0	8108
Total Right -of -Use Asset:	9420	0	-445	0	8975
Total:	1021577	43296	-920	1176	1062777

The amount of contractual commitments for the acquisition of Property, Plant and Equipment is disclosed under Clause 4 (c) of Note 49

There is no charge or lien on Property, Plant and Equipment



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 1B - Accumulated Depreciation - Plant, Property and Equipment

(₹ in Lakhs)

Particulars	Provision as at 1 st April 2021	Additions	Reclassification/Adjustment	Disposals	Provisions As at 31 st March 2022	Net Block as at 31 st March 2022	Net Block as at 31 st March 2021
Own Assets:							
Land -							
- Leasehold	2	1	0	0	3	32	33
- Freehold	0	0	0	0	0	1947	1947
Buildings	22248	4141	-126	32	26231	100362	103159
Plant and Equipment	107001	18451	-28	652	124772	111637	120484
Furniture and Fixtures	7104	774	0	170	7708	1270	1432
Vehicles	4100	1025	0	101	5024	4077	4775
Office Equipment	10716	1178	76	61	11909	3008	2730
Others							
Assets used for CSR Activities	4525	0	0	0	4525	0	0
Roads and Drains	3849	489	0	0	4338	1621	2015
Water Supply	1930	388	0	0	2318	2597	1939
Rail Road Sidings	0	0	0	0	0	0	0
Runways	1244	83	0	0	1327	449	532
Aircraft/Helicopters	10923	2864	0	0	13787	18565	21429
Subtotal	173642	29394	-78	1016	201942	245565	260475
Special Tools	225617	42059	0	0	267676	338619	352423
Total Own Assets:	399259	71453	-78	1016	469618	584184	612898
Right-of-Use Asset:							
Land	93	22	-31	0	84	783	1219
Buildings	47	270	0	0	317	7791	8061
Total Right -of -Use Asset:	140	292	-31	0	401	8574	9280
Total:	399399	71745	-109	1016	470019	592758	622178



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Above Includes:	As at 31st March 2022
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 2022
Gross Value of Assets retired from Active Use	1264
Less : Cumulative Depreciated Value of Assets retired from Active Use.	1261
WDV of Assets Retired from Active Use.	3

Note 1 - Plant, Property and Equipment

Note 1A - Gross Block - Plant, Property and Equipment

The changes in the carrying value of property, plant and equipment for year ended 31st March 2021 are as follows:

(₹ in Lakhs)

Particulars	Gross block as at 1 st April 2020	Additions	Reclassification / Adjustment	Disposals	Gross Block as at 31 st March 2021
Land					
- Leasehold	35	0	0	0	35
- Freehold	1947	0	0	0	1947
Buildings	114634	10773	0	0	125407
Plant and Equipment	216412	11283	0	210	227485
Furniture and Fixtures	8202	417	3	86	8536
Vehicles	6600	2414	0	139	8875
Office Equipment	12153	1387	-3	91	13446
Others					
Assets used for CSR Activities	4525	0	0	0	4525
Roads and Drains	5628	236	0	0	5864
Water Supply	3557	312	0	0	3869
Rail Road Sidings	0	0	0	0	0
Runways	1776	0	0	0	1776
Aircraft/Helicopters	32352	0	0	0	32352
Sub Total	407821	26822	0	526	434117
Special Tools	531195	46845	0	0	578040
Total Own Assets:	939016	73667	0	526	1012157
Right -of -Use Asset:					
Land	1312	0	0	0	1312
Buildings	0	8108	0	0	8108
Total Right -of -Use Asset:	1312	8108	0	0	9420
Total:	940328	81775	0	526	1021577

The amount of contractual commitments for the acquisition of Property, Plant and Equipment is disclosed under Clause 4 (c) of Note 49

There is no charge or lien on Property, Plant and Equipment



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note -1B-Accumulated Depreciation- Plant, Property and Equipment

(₹ in Lakhs)

Particulars	Provision as at 1 st April 2020	Additions	Reclassifi- cation /Ad- justment	Disposals	Provisions As at 31 st March 2021	Net Block as at 31 st March 2021	Net Block as at 31 st March 2020
Own Assets:							
Land -							
- Leasehold	1	1	0	0	2	33	34
- Freehold	0	0	0	0	0	1947	1947
Buildings	18266	3982	0	0	22248	103159	96368
Plant and Equipment	88361	18850	0	210	107001	120484	128051
Furniture and Fixtures	6373	790	2	61	7104	1432	1829
Vehicles	3372	789	0	61	4100	4775	3228
Office Equipment	9089	1712	-2	83	10716	2730	3064
Others							
Assets used for CSR Activities	4525	0	0	0	4525	0	0
Roads and Drains	3287	562	0	0	3849	2015	2341
Water Supply	1596	334	0	0	1930	1939	1961
Rail Road Sidings	0	0	0	0	0	0	0
Runways	1161	83	0	0	1244	532	615
Aircraft/Helicopters	8059	2864	0	0	10923	21429	24293
Subtotal	144090	29967	0	415	173642	260475	263731
Special Tools	184826	40791	0	0	225617	352423	346369
Total Own Assets:	328916	70758	0	415	399259	612898	610100
Right -of -Use Asset:							
Land	76	17	0	0	93	1219	1236
Buildings	0	47	0	0	47	8061	0
Total Right -of -Use Asset:	76	64	0	0	140	9280	1236
Total:	328992	70822	0	415	399399	622178	611336





Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Above Includes:	As at 31 st March 2021
Gross Value of Assets with M/s. Midhani	751
Cumulative Depreciation in respect of Assets with M/s. Midhani	751

	As at 31 st March 2021
Gross Value of Assets retired from Active Use	1212
Less : Cumulative Depreciated Value of Assets retired from Active Use.	1210
WDV of Assets Retired from Active Use.	2

Note 2 - Capital Work in Progress

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Buildings	52777	38824	38631
Plant and Equipment	19579	17479	17834
Furniture and Fixtures	0	0	23
Office Equipment	150	7	38
Water Supply	64	102	147
Roads and Drains	0	0	0
Plant and Equipment under Inspection and in Transit	1624	1300	648
Special Tools	20716	8621	16406
TOTAL	94910	66333	73727

Refer Clause 25 of Note 49 for further disclosures on Capital work in Progress

Note 3 - Investment Property

The changes in the carrying value of investment property for the year ended 31st March 2022 are as follows:

Note 3A - Gross Block - Investment Property

Particulars	(₹ in Lakhs)				
	Gross block as at 1 st April 2021	Additions	Reclassification /Adjustment	Disposals	Gross Block As at 31 st March 2022
Buildings	4	-	-	-	4
Total	4	-	-	-	4

Refer Clause 30 of Note 49



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 3B - Accumulated Depreciation - Investment Property

(₹ in Lakhs)

Particulars	Provision As at 1 st April 2021	Additions	Reclassi- fication / Adjustment	Disposals	Provisions As at 31 st March 2022	Net Block As at 31 st March 2022	Net Block As at 31 st March 2021
Buildings	1	-	-	-	1	3	3
Total	1	-	-	-	1	3	3

Note 3 - Investment Property

The changes in the carrying value of investment property for year ended 31st March 2021 are as follows:

Note 3A - Gross Block - Investment Property

(₹ in Lakhs)

Particulars	Gross block As at 1 st April 2020	Additions	Reclassification /Adjustment	Disposals	Gross Block As at 31 st March 2021
Buildings	4	-	-	-	4
Total	4	-	-	-	4

Refer Clause 30 of Note 49

Note 3B - Accumulated Depreciation - Investment Property

(₹ in Lakhs)

Particulars	Provision As at 1 st April 2020	Additions	Reclassi- fication / Adjustment	Disposals	Provisions As at 31 st March 2021	Net Block As at 31 st March 2021	Net Block As at 31 st March 2020
Buildings	1	-	-	-	1	3	3
Total	1	-	-	-	1	3	3

Note 5 - Other Intangible assets

The changes in the carrying value of other intangible assets for the year ended 31st March 2022 are as follows:

Note 5A - Gross Block - Other Intangible Assets

(₹ in Lakhs)

Particulars	As at 1 st April 2021	Additions	Adjustment*	As at 31 st March 2022
Licence Fees	136660	6454	0	143114
Computer Software	7191	685	0	7876
Documentation	37768	0	0	37768
Development Expenditure	114010	34770	0	148780
Others	0	0	0	0
Total	295629	41909	0	337538

*The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 6A)



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 5B - Accumulated Amortization - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1 st April 2021	Amortisation	Adjustment	As at 31 st March 2022
Licence Fees	73266	1474	0	74740
Computer Software	6174	613	0	6787
Documentation	18984	3527	0	22511
Development Expenditure	62972	33694	0	96666
Others	0	0	0	0
Total	161396	39308	0	200704

Note 5C - Impairment Loss - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1 st April 2021	Impairment Loss	Adjustment	As at 31 st March 2022
Licence Fees	0	12781	0	12781
Computer Software	0	0	0	0
Documentation	0	0	0	0
Development Expenditure	39826	400	0	40226
Others	0	0	0	0
Total	39826	13181	0	53007

Note 5 - Other Intangible assets

The changes in the carrying value of other intangible assets for the year ended 31st March 2021 are as follows:

Note 5A - Gross Block - Other Intangible Assets

(₹ in Lakhs)

Particulars	As at 1 st April 2020	Additions	Adjustment*	As at 31 st March 2021
Licence Fees	136444	216	0	136660
Computer Software	6657	534	0	7191
Documentation	37767	1	0	37768
Development Expenditure	69689	12114	32207	114010
Others	0	0	0	0
Total	250557	12865	32207	295629

*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 1 st April 2020	Amortisation	Adjustment	As at 31 st March 2021
Licence Fees	63297	9969	0	73266
Computer Software	5426	748	0	6174
Documentation	13551	5433	0	18984
Development Expenditure	34155	28817	0	62972
Others	0	0	0	0
Total	116429	44967	0	161396



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 5C - Impairment Loss - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1 st April 2020	Impairment Loss	Adjustment	As at 31 st March 2021
Licence Fees				0
Computer Software				0
Documentation				0
Development Expenditure	33441	6385	0	39826
Others				0
Total	33441	6385	0	39826

Note 6 - Intangible Assets under Development

The changes in the carrying value of intangible assets under development for the year ended 31st March 2022 are as follows:

Note 6A - Gross Carrying cost - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1 st April 2021	Additions	Adjustment*	As at 31 st March 2022
Development Expenditure	129640	28219	0	157859
Total	129640	28219	0	157859

*The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 5A)

The amount of contractual commitments for the acquisition of intangible assets is disclosed under Clause 4 (c) of Note 49. Refer Clause 26 of Note 49 for further disclosures on Intangible assets under development

Note 6B - Accumulated Amortization - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1 st April 2021	Amortisation	Adjustment	As at 31 st March 2022
Development Expenditure	-	-	-	-
Total	-	-	-	-

Note 6C - Impairment Loss - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1 st April 2021	Impairment Loss	Adjustment	As at 31 st March 2022
Development Expenditure	1013	4462	0	5475
Total	1013	4462	0	5475



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 6 - Intangible Assets under Development

The changes in the carrying value of intangible assets under development for year ended 31st March 2021 are as follows:

Note 6A - Gross Carrying cost - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1 st April 2020	Additions	Adjustment*	As at 31 st March 2021
Development Expenditure	119282	42565	-32207	129640
Total	119282	42565	-32207	129640

*The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 5A)

The amount of contractual commitments for the acquisition of intangible assets is disclosed under Clause 4 (c) of Note 49. Refer Clause 26 of Note 49 for further disclosures on Intangible assets under development

Note 6B - Accumulated Amortization - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1 st April 2020	Amortisation	Adjustment	As at 31 st March 2021
Development Expenditure				
Total				

Note 6C - Impairment Loss - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1 st April 2020	Impairment Loss	Adjustment	As at 31 st March 2021
Development Expenditure	1013			1013
Total	1013			1013

Note 7-Investments accounted for using the equity method

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
INVESTMENTS AT COST LESS PROVISION (UNQUOTED)			
Investment in Joint Venture			
BAe-HAL Software Ltd-29,40,000 (29,40,000-P.Y) shares of ₹10 FV each fully paid	294	294	294
+/-Interest in Joint Venture	6	148	241
Less Provision for Impairment in value of Investment	61	0	0
Net -BAe-HAL Software Ltd	239	442	535



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Safran HAL Aircraft Engines Private Ltd -11,40,000 (11,40,000-P.Y) Shares of ₹100 F.V. each fully paid	1140	1140	1140
+/-Interest in Joint Venture	2973	2668	2492
Net - Safran HAL Aircraft Engines Private Ltd	4113	3808	3632
Indo Russian Aviation Ltd - 9,36,525 (9,36,525-P.Y) shares of ₹ 10 FV each fully paid	94	94	94
+/-Interest in Joint Venture	5547	5431	4746
Net - Indo Russian Aviation Ltd.	5641	5525	4840
HALBIT Avionics Pvt Ltd -3,82,500(3,82,500-P.Y) Shares of ₹100 FV each fully paid	383	383	383
Less Provision for Impairment in value of Investment	383	383	383
Net - HALBIT Avionics Pvt. Ltd.	0	0	0
HAL Edgewood Technologies Pvt Ltd 3,00,000(3,00,000-P.Y) Shares of ₹100 FV each fully paid	300	300	300
Less Provision for Impairment in value of Investment	300	300	300
Net- HAL Edgewood Technologies Pvt. Ltd.	0	0	0
SAMTEL HAL Display Systems Ltd-1,60,000 (1,60,000-P.Y) Shares of ₹ 100 FV each fully paid	160	160	160
Less Provision for Impairment in value of Investment	160	160	160
Net - SAMTEL HAL Display Systems Ltd	0	0	0
INFOTECH HAL Ltd - 20,00,000 (20,00,000-P.Y) Shares of ₹ 10 FV each fully paid	200	200	200
Less Provision for Impairment in value of Investment	200	200	200
Net- INFOTECH HAL Ltd.	0	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	3840
Less Provision for Impairment in value of Investment	3840	3840	3840
Net- HATSOFF Helicopter Training Pvt. Ltd.	0	0	0
TATA HAL Technologies Ltd -50,70,000 (50,70,000 P.Y.) Shares of ₹ 10 each fully paid	507	507	507
Less Provision for Impairment in value of Investment	507	507	507
Net- TATA HAL Technologies Ltd.	0	0	0
International Aerospace Manufacturing Pvt Ltd - 42,50,000 (42,50,000 - P.Y) Shares of ₹ 100 FV each fully paid	4250	4250	4250
+/-Interest in Joint Venture	765	434	416
Less Provision for Impairment in value of Investment	855	855	855
Net- International Aerospace Manufacturing Pvt Ltd	4160	3829	3811
Multirole Transport Aircraft Ltd. - 113,46,564 (113,46,564 P.Y.) Shares of ₹ 100 FV each fully paid	11347	11347	11347
+/-Interest in Joint Venture	-2730	-2177	-1733



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Less Provision for Impairment in value of Investment	6678	6678	6678
Net- Multirole Transport Aircraft Ltd.	1939	2492	2936
Helicopter Engines MRO Pvt Ltd - 15,09,986 (5,09,986 P.Y.) Shares of ₹ 100 FV each fully paid	1510	510	510
+/-Interest in Joint Venture	-411	-123	-148
Less Provision for Impairment in value of Investment	412	387	362
Net- Helicopter Engines MRO Pvt Ltd	687	0	0
Total In Equity of Joint Ventures	16779	16096	15754
TOTAL	16779	16096	15754
Disclosure			
(i) Aggregate amount of Quoted Investment and Market Value.			
(ii) Aggregate amount of Unquoted Investments. (net)	16779	16096	15754
(iii) Aggregate amount of impairment in value of investments	13396	13310	13285

Refer Clause 14.7 & 14.10 of Note 49 for further details on Investment in Joint Ventures

Note 7A - Financial Asset - Investments at Cost

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Investments in Structured Entities (UNQUOTED)			
a) HAE Co-operative Society of 25 (25P.Y) Shares of ₹ 100 FV each fully paid*	0	0	0
b) Satnam Apartment Ltd - 41 (41 P.Y) Shares of ₹100 each at cost for acquisition of a Flat**	0	0	0
c) Aerospace & Aviation Sector Skill Council(AASSC) - 125 (125 P.Y.) Shares of ₹ 10000 FV each fully paid	13	13	13
d) Defence Innovation Organisation - 50 (P.Y 50) Shares of ₹ 1000 FV each fully paid	1	1	1
Total In Equity of Others (A)	14	14	14
B. Other Investments (UNQUOTED)			
LIC of India (For Funding Vacation Leave)	119477	96022	89356
Total In Other Investments (B)	119477	96022	89356
TOTAL (A+B)	119491	96036	89370

* 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.

(i) Aggregate amount of Quoted Investment and Market Value.			
(ii) Aggregate amount of Unquoted Investments. (net)	119491	96036	89370
(iii) Aggregate amount of impairment in value of investments			



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 8 - Financial Asset - Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Trade Receivables			
Considered Good - Secured	0	0	0
Considered Good - UnSecured	0	0	0
Receivables which have significant increase in credit risk	0	0	0
Credit Impaired	0	0	0
	0	0	0
Less: Allowance for Doubtful Debts	0	0	0
Total	0	0	0
TOTAL	0	0	0

Note 8A- Financial Asset-Contract Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Contract Assets			
Unbilled Revenue	0	0	0
TOTAL	0	0	0

Note 9- Financial Asset- Loans

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Considered Good-Secured			
a) Loans to Related Parties	0	0	0
b) Others			
Loans and advances to employees	121	153	187
Sub-Total (A)	121	153	187
B. Considered Good-Unsecured			
a) Loans to Related Parties	0	0	0
b) Others			
Loans and advances to employees	502	597	769
Sub-Total (B)	502	597	769
C. Loans which have significant increase in credit risk			
Sub-Total (C)			
D. Loans - Credit Impaired			
Sub-Total (D)			
TOTAL (A+B+C+D)	623	750	956



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 10 - Other Financial Assets

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Claims Receivable Unsecured*			
Receivable - Credit Impaired	14385	19211	22465
Less: Provision for Doubtful Claims	14385	19211	22465
Sub-Total (A)	0	0	0
B. Security Deposit			
Govt Departments for Customs Duty and for Supplies	12	12	12
Public Utility Concerns	2719	2747	2649
Others	1237	1104	1179
Sub-Total (B)	3968	3863	3840
C. Balances with Bank			
Bank deposit with more than 12 Months maturity**	701	701	701
Sub-Total (C)	701	701	701
D. Others			
Deferred Debts	36361	33775	33812
Sub-Total (D)	36361	33775	33812
TOTAL (A +B +C+D)	41030	38339	38353
*Above balances of Claims Receivable include balances with related parties (Refer Receivables of Clause No.14.1(e) of Note 49)	437	778	778
*Above balances of Provision for Doubtful Claims include balances with related parties (Refer Receivables of Clause No.14.1(l) of Note 49)	437	778	778
**Fully Earmarked for Committed Liabilities of more than 12 months	1	1	1

Note 11 - Deferred Tax Assets (Net)

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
The tax effect of significant temporary differences that resulted in deferred tax assets:			
As per last Balance Sheet	5235	47011	47011
Add / (Less): Current Year's Assets	51322	-41776	
TOTAL	56557	5235	47011



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 12 - Other Non - Current assets

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Capital Advances	22200	16328	27148
B. Advance Other than Capital Advances			
Advances against Goods and Service	453	994	337
Advances against Special Tools	0	0	248
Other Advances	840	1037	440
	23493	18359	28173
C. Others			
Balances with Revenue Authorities			
Income tax	139094	34441	19436
Others-under dispute	18843	17808	15134
Prepaid Expenses	34	27	41
TOTAL (A+B+C)	181464	70635	62784

Note 13 - Inventories

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Inventories (At Lower of Cost and Net Realisable Value)#			
(i) Raw Materials and Components	986640	1092596	1024151
Less: Provision for Redundancy	151814	125941	85783
	834826	966655	938368
(ii) Work-in-Progress	525080	585049	827774
Less: Provision for Redundancy	26589	0	0
	498491	585049	827774
(iii) Finished Goods	0	0	0
(iv) Stock-in-Trade	2994	2244	5249
(v) Stores and Spares	33259	33684	36868
Less: Provision for Redundancy	4653	3977	3217
	28606	29707	33651
(vi) Loose Tools	10747	9923	10382
Less: Provision for Redundancy	775	1310	1446
	9972	8613	8936
(vii) Construction Materials	53	51	71
Less: Provision for Redundancy	12	8	1
	41	43	70
(viii) Disposable Scrap (at Net Realisable Value)	710	721	804
(ix) Goods under Inspection and in Transit			
Raw material and Components	44718	59950	122291
Stores and Spares	2114	798	1048



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Loose Tools	124	106	372
	46956	60854	123711
(x) Inventory - Warranty	14525	15419	19381
Less: Provision for Redundancy	2393	2005	2081
	12132	13414	17300
TOTAL	1434728	1667300	1955863
(#) includes those issued to Sub-Contractors for Job Works	12256	18062	29553
Inter-division transfers in Transit which are not considered for Inter Divisional Sales, included in above balance	56	0	0

Note 14 - Financial Asset- Investments

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
INVESTMENTS AT COST LESS PROVISION (UN-QUOTED)			
TOTAL	0	0	0
Disclosure			
(i) Aggregate amount of Quoted Investment and Market Value.			
(ii) Aggregate amount of Unquoted Investments.	0	0	0
(iii) Aggregate amount of impairment in value of investments			

Note 15- Financial Asset-Trade Receivables

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Trade Receivables*			
Considered Good - Secured	0	0	0
Considered Good - Unsecured	464153	566805	1126395
Receivables which have significant increase in credit risk	0	0	0
Credit Impaired	13907	13506	13676
	478060	580311	1140071
Less: Allowance for Doubtful Debts	13907	13506	13676
TOTAL	464153	566805	1126395
*Above balances of trade receivables include balances with related parties (Refer Receivables of Clause No.14.1(e) of Note 49) Refer Clause 27.1 of Note 49 for ageing schedule of Trade Receivables	404	610	914



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 15A- Financial Asset-Contract Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Contract Assets			
Unbilled Revenue	886218	847624	788523
Less: Allowance for Doubtful Debts	105353	2856	2296
TOTAL	780865	844768	786227

Refer Clause 27.2 of Note 49 for ageing schedule of Contract Assets

Note 16 - Financial Asset- Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Balances with Bank			
In Current Account	116931	64209	27826
In Short Term Deposits	190100	650101	100
Term Deposits with original maturity of less than 3 months	0	300	0
B. Cheques, Drafts on Hand	2	0	0
C. Cash on Hand	0	0	0
Sub Total	307033	714610	27926
D. Other Bank Balances			
In Other Short Term Deposits with Financial Institutions	4	5	6
Sub-Total (D)	4	5	6
TOTAL (A+B+C+D)	307037	714615	27932

Note-17 - Financial Asset- Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Term Deposits with original maturity for more than 3 months but less than 12 months	1127682	2871	3709
Earmarked balances with banks for Unpaid Dividend	53	249	15
TOTAL	1127735	3120	3724



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 18-Financial Asset- Loans

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Considered Good -Secured			
a) Loans to Related Parties	0	0	0
b) Others			
Loans and advances to employees	171	211	282
Sub -Total (A)	171	211	282
B. Considered Good -Unsecured			
a) Loans to Related Parties	0	0	0
b) Others			
Loans and advances to employees	650	569	895
Sub -Total (B)	650	569	895
C. Loans which have Significant Increase in credit risk			
Sub -Total (C)	0	0	0
D. Loans - Credit Impaired			
Sub -Total (D)	0	0	0
TOTAL (A +B+C+D)	821	780	1177

Note 19- Other Financial Assets

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Claims Receivable			
Unsecured Considered Good	70851	90200	107008
Receivable which have Significant Increase in Credit Risk	0	0	0
Credit Impaired	15795	9096	8750
	86646	99296	115758
Less: Provision for Doubtful Claims	15795	9096	8750
Sub-Total	70851	90200	107008
Security Deposit			
Govt Departments for Customs Duty and for Supplies	0	0	8
Public Utility Concerns	47	49	47
Others	660	641	711
Interest Accrued and Due on Investment with LIC of India	0	0	16
Interest Accrued and not Due	21182	1349	115
Current Maturities of Deferred Debt	9583	8543	8234
Share Application Money Paid	0	0	1000
TOTAL	102323	100782	117139
Above balances of Claims Receivable include balances with related parties (Refer Receivables of Clause No.14.1(e) of Note 49)	18002	18848	16112
Above balances of Provision for Doubtful Claims include balances with related parties (Refer Receivables of Clause No.14.1(l) of Note 49)	270	334	21



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note-20 Current Tax Assets (Net)

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Current Tax (Net)	0	0	3531
TOTAL	0	0	3531

Note 21- Other Current Assets

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Advance Other than Capital Advances			
Advances against Goods and Services	224018	91336	109673
Less: Provision for Bad and Doubtful	19	19	19
Other Loans and Advances	743	262	529
Advances to Related Parties*	5675	250	70
Less: Provision for Bad and Doubtful	0	52	52
B. Others			
Prepaid Expenses	2768	2819	2775
Unamortised discount on commercial paper	0	0	1763
Balances with revenue Authorities			
Income tax	12	21	36
Others	0	0	0
Balance with GST Electronic Ledger	47698	44971	14489
Revenue Stamps	0	0	0
Balances in Franking Machine	4	4	3
TOTAL	280899	139592	129267

* Includes advance of ₹ 5640 lakhs towards HAL employees Gratuity fund

EQUITY

Note 22- Equity Share Capital

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Authorised Capital	60000	60000	60000
60,00,00,000 Equity Shares of ₹ 10 each			
Issued, Subscribed and Fully Paid up	33439	33439	33439
33,43,87,500 (33,43,87,500 PY) Equity Shares of ₹ 10 each fully paid-up			
Par Value per Share (₹)	10	10	10
Reconciliation of the Number of Shares Outstanding at the beginning and at the end of the reporting period			
Opening Equity Shares (Nos.)	334387500	334387500	334387500
Add: Additions during the Year (Nos.)			
Less: Shares Bought Back (Nos.)			
Closing Equity Shares (Nos.)	334387500	334387500	334387500



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Particulars	(₹ in Lakhs)		
	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
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	251292407	251292407	300855180
% of Shareholding of President of India and Nominees	75.15%	75.15%	89.97%
Life Insurance Corporation of India	28858712	48382104	23407104
% of Shareholding of Life Insurance Corporation of India	8.63%	14.47%	7.00%
Shares held by promoters at the end of the reporting period			
Promoters Name:			
President of India and Nominees			
No. of Shares	251292407	251292407	300855180
% of total Shares	75.15%	75.15%	89.97%
% Change during the year	0.00%	-16.47%	

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 16 of Note 49 for details regarding buy back of shares

Note 23- Other Equity

Particulars	(₹ in Lakhs)	
	As at 31 st March 2022	As at 31 st March 2021
Other Reserves		
A. Research & Development Reserve		
Opening Balance	133727	108732
Add: Current Year Transfer	31596	29599
Less: Transfer to General Reserve on utilisation	3985	4604
Closing Balance (A)	161338	133727
B. Capital Redemption Reserve		
Opening Balance	14761	14761
Closing Balance (B)	14761	14761
C. General Reserve As per last Balance Sheet	1360424	1232256
(+/-) Surplus Transferred from Statement of Profit and Loss	357320	123564
(+/-) Ind AS Adjustment/Restatement	0	0
Add: Transfer from R&D Reserve	3985	4604
Closing Balance (C)	1721729	1360424



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
D. Retained earnings - Surplus in the statement of Profit & Loss		
Opening Balance	0	0
Add/(Less): Net Profit / (Net Loss) for the Current Year	508004	324595
Add/(Less): Remeasurement of the defined benefit plans	14667	-71116
Sub total (i)	522671	253479
Less: Appropriations / Allocations		
Transfer to Research & Development Reserve	31596	29599
Interim Dividend (PY - Final Dividend)	133755	100316
Tax on Dividend	0	0
Sub total (ii)	165351	129915
Transfer To General Reserves (i)-(ii)	357320	123564
Closing Balance (D)	0	0
E. Other Components of Equity		
Fair Value through Other Comprehensive Income (FVOCI) (\$)		
Opening Balance	39	-63823
Add/(Less): Additions made during the year	14674	-7254
Add/(Less): Remeasurement of the defined benefit plans	-14667	71116
Closing Balance (E)	46	39
Total attributable to Owners of the Company	1897874	1508951
F. Attributable to Non-controlling interest		
Opening balance	391	431
Profit/(Loss) for the year	-16	-40
Closing balance (F)	375	391
TOTAL (A+B+C+D+E+F)	1898249	1509342

1. \$ Breakup is given separately in Statement of Changes in Equity

Nature and Purpose of each Reserve:

1. Research & Development Reserve:

Research & Development Reserve is created to bring technological superiority to its products in order to cope with the future technological challenges by transfer of annual contribution of 10% of Operating Profit After Tax. The amount of utilisation for R&D purposes during the year is transferred to General Reserve.

2. Capital Redemption Reserve:

This was created on redemption/buyback of equity shares.

3. 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, 2022

Note 24- Borrowings

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Secured			
a) Term Loans			
(i) From Banks	0	0	0
Sub-Total (A)	0	0	0
B. Unsecured			
Sub-Total (B)	0	0	0
TOTAL (A + B)	0	0	0

Note 24 A- Lease Liabilities

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Lease Liabilities	241	231	221
TOTAL	241	231	221

Refer Clause 29 (a) of Note 49 for further disclosures on lease

Note 25- Trade Payables

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Trade Payables			
TOTAL	0	0	0

Note 26- Other financial liabilities

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Dues to Employees	21	18	19
Deposits	10	17	18
Deferred liabilities	36750	34154	34178
Due to Capital Creditors - Micro enterprises and Small Enterprises	0	0	0
Due to Capital Creditors - other than micro enterprises and small enterprises	0	0	0
Other Liabilities	15689	15140	20771
TOTAL	52470	49329	54986



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 27- Provisions

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Provisions for Employee Benefits			
Gratuity	1081	1087	1044
Earned Leave	98010	96609	66368
Others	0	0	0
Sub-Total (A)	99091	97696	67412
B. Others*			
Replacement and Other Charges	15179	12544	14346
Warranty	4700	4032	0
Liquidated Damages	7331	11332	47117
Onerous Contract	0	0	0
Sub-Total (B)	27210	27908	61463
TOTAL (A + B)	126301	125604	128875

*Refer Clause 13.1 of Note 49 for movement of Provisions

Note 28- Deferred tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
The tax effect of significant temporary differences that resulted in deferred tax liabilities:			
As per last Balance Sheet	0	0	0
Add / Less: Current Year's Provisions	0	0	0
Add/Less: Impact of Depreciation on transition	0	0	0
TOTAL	0	0	0

Note 29- Other Non current Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Advances from Customers (Contract Liability)			
Outstanding Advances from Customers			
Defence*	608833	618072	179433
Others	0	0	0
Sub-Total (A)	608833	618072	179433
B. Milestone Receipt (Contract Liability)			
Defence*	610354	286372	496096
Others	7057	12686	15749
Sub-Total (B)	617411	299058	511845
TOTAL (A+B)	1226244	917130	691278
	878161	44016	0

* includes Advance received against LCA Mark IA



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 30- Borrowings

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Secured Short Term Borrowings:			
a) Loans Repayable on Demand			
(i) From Banks*	0	907	438650
Working Capital Loan-Cash Credit*			
Sub-Total (A)	0	907	438650
B. Unsecured Short Term Borrowings:			
a) Loans Repayable on Demand			
(i) From Banks - Commercial paper	0	0	150000
Sub-Total (B)	0	0	150000
TOTAL (A + B)	0	907	588650

Refer Clause No. 11 of Note No.49 for further details on Borrowings

* 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 30 A- Lease Liabilities

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Lease Liabilities	8	8	8
TOTAL	8	8	8

Refer Clause 29 (a) of Note 49 for further disclosures on lease

Note 31- Trade Payables

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Trade Payables*			
A) total outstanding dues of micro enterprises and small Enterprises	4575	5209	4866
B) total outstanding dues of creditors other than micro enterprises and small enterprises	251186	220351	404334
TOTAL	255761	225560	409200
* Above balances of Trade Payable include balances with related parties (Refer Payable of Clause No.14.1(e) of Note 49).	11955	8964	5806
Refer Clause 28 of Note 49 for ageing schedule of Trade Payables.			



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 32- Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Liability for Outstanding Expenses	46823	58565	47482
Deposits	12458	12314	11617
Royalty	6111	5261	5600
Dues to Employees	31693	30070	106693
Current Maturities of Deferred Debts/Liabilities	4678	4182	4047
Due to Capital Creditors - Micro enterprises and Small Enterprises	202	163	257
Due to Capital Creditors - other than micro enterprises and small enterprises	13663	15886	17951
Unpaid Dividend Account**	53	249	15
Others Liabilities*	69679	68592	56043
TOTAL	185360	195282	249705

* Above balances of Other Liabilities include balances with related parties (Refer Payable of Clause No.14.1(e) & (m) of Note 49).

5597 4644 4744

** No amount is due and outstanding to be transferred to Investor Education and Protection Fund at the year end.

Note 33- Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Advances from Customers (Contract Liability)			
Outstanding Advances from Customers			
Defence	430963	506698	353706
Others	4226	4272	3841
Sub-total (A)	435189	510970	357547
B. Milestone Receipt (Contract Liability)			
Defence	941864	1063923	816368
Others	62928	80442	81847
Sub-total (B)	1004792	1144365	898215
Advances from Customers (A + B)	1439981	1655335	1255762
C. Other Payables			
Taxes (Other than Taxes on Income)	11639	5957	11690
GST Payable	7206	7148	17429
Central Excise and Service -Tran-1	0	0	0
Others	16689	15269	13637
TOTAL (A+B+C)	1475515	1683709	1298518



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 34- Provisions

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
A. Provisions for Employee Benefits			
Gratuity	0	3174	24093
Earned Leave	15220	14654	41969
Others	44721	39890	17539
Sub-Total (A)	59941	57718	83601
B. Others*			
Replacement and Other Charges	202675	140728	167401
Warranty	104625	78549	65384
Liquidated Damages	138455	116611	155623
Onerous Contract	0	0	32183
Sub-Total (B)	445755	335888	420591
TOTAL (A + B)	505696	393606	504192

*Refer Clause 13.1 of Note 49 for movement of Provisions

Note 35- Current tax liability (Net)

(₹ in Lakhs)			
Particulars	As at 31 st March 2022	As at 31 st March 2021	As at 1 st April 2020
Current tax liability (Net)	79914	42254	58076
TOTAL	79914	42254	58076

Note 36 - Revenue from Operations

(₹ in Lakhs)		
Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
A. Sale of Products		
(i) Inland Sales		
Finished Goods	737508	856363
Spares	332969	372687
Development	91530	87212
Miscellaneous	33889	34001
Total Inland Sales of Products	1195896	1350263
(ii) Export Sales		
Finished Goods	9415	3251
Spares	4280	18481
Development	118	24
Total Export Sales of Products	13813	21756
Total Sale of Products (A)	1209709	1372019



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
B. Sale of Services		
(i) Inland Sale of Services		
Repair & Overhaul	1220619	873015
Other Services	2836	2834
Total Inland Sales of Services	1223455	875849
(ii) Export Sale of Services		
Repair & Overhaul	2520	2189
Other Services	463	35
Total Export Sales of Services	2983	2224
Total Sales of Services (B)	1226438	878073
Total Sales (A+B)	2436147	2250092
C. Other Operating Revenues		
(i) Disposal of Scrap and Surplus / Unserviceable Stores	1228	861
(ii) Provisions no Longer Required*	22108	34723
(iii) Others	2519	2556
Total Operating Revenues (C)	25855	38140
Revenue from Operations (A+B+C)	2462002	2288232

*Refer Clause 13.1 of Note 49 for movement of Provisions

Note 37- Other Income

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Interest Income		
Short term Deposits / Loans / Others	34715	2130
Sundry Advances - Employees	58	68
Other Deposits	7723	6725
Sub-total	42496	8923
Dividend Income		
Dividend from Non- Current Investments in Joint Ventures	0	0
Other Non-Operating Income		
Gain on Foreign Currency Transaction and Translation	3851	368
Gain on Sale of Property, Plant & Equipment (Net)*	157	12
Gain on Fair Value Adjustment	2130	4159
Interest on Income Tax Refund	26273	4791
Miscellaneous	23586	17492
TOTAL	98493	35745



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 38- Cost of materials consumed

Particulars	(₹ in Lakhs)	
	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Consumption Of Raw Material, Components, Stores and Spare Parts		
Opening Stock	1141750	1080472
Add: Purchases	782998	879923
Add: Subcontracting, Fabrication and Machining Charges.	25718	26541
Less: Closing stock	1034477	1141750
	915989	845186
Less: Transfer to		
Special Tools and Equipment	27075	45751
Capital Works	3546	0
Development Expenditure	2471	1742
Expense Accounts and Others	7673	6482
	40765	53975
TOTAL	875224	791211

Note 38A- Purchase of Stock-in-Trade

Particulars	(₹ in Lakhs)	
	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Purchase of Stock-in-Trade	65668	82116

Note 39- Changes in Inventories of Finished Goods, Stock-in-Trade and Work-In-Progress and Scrap

Particulars	(₹ in Lakhs)	
	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress		
Opening Balance		
(i) Finished Goods	0	0
(ii) Work-in-progress	585049	827774
(iii) Stock in Trade	2244	5250
	587293	833024
Closing Balance		
(i) Finished Goods	0	0
(ii) Work-in-progress	525080	585049
(iii) Stock in Trade	2994	2244
	528074	587293
Accretion / (Decretion) -A	-59219	-245731
Change in Disposables Scrap		
Opening Balance	721	804
Closing Balance	710	721
Accretion / (Decretion)-B	-11	-83
TOTAL (A+B)	-59230	-245814



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 40- Employee benefits expense

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Salaries and Wages	375496	350122
Contribution to Provident Fund and Others	58272	57873
Contribution to Gratuity	8509	9676
Others	19	20
Staff Welfare Expenses(Net)	17978	12615
Rent for Hiring Accommodation for Officers	168	211
TOTAL	460442	430517

Note 41- Finance costs

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Interest on Cash Credit	2	13279
Discount on Commercial paper	0	6895
Interest on Lease Liability	17	17
Interest on Financial Liability carried at Amortised Cost	0	0
Interest on Income Tax	5567	5475
Interest on Micro and Small Enterprises	234	219
Interest - Others	0	32
TOTAL	5820	25917

Note 42- Depreciation and Amortization expense

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
A. Depreciation on Plant, Property and Equipment	29686	30031
B. Amortisation		
Intangible assets- Development Expenditure	33694	28817
Other Intangible assets		
Licence Fees	1474	9969
Computer Software	616	748
Documentation	3524	5433
Special Tools	42059	40791
Sub-Total (B)	81367	85758
TOTAL (A+B)	111053	115789





Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 42A-Impairment Loss

Particulars	(₹ in Lakhs)	
	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Impairment Loss on Intangible Asset	17643	6385
TOTAL	17643	6385

Refer Clause No.18 of Note 49

Note 43- Other expenses

Particulars	(₹ in Lakhs)	
	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Shop Supplies	7830	8992
Power and Fuel	14130	13338
Water Charges	5917	5001
Rent for Office Premises etc.	99	106
Travelling (includes Foreign Travel)	3887	2687
Training (includes Foreign Training)	432	513
Repairs:		
Buildings	6255	6278
Plant, Machinery and Equipment	13464	13083
Others	4070	3798
Expenses on Tools and Equipment	2916	3401
Insurance	4021	4044
Rates and Taxes	5756	1322
Postage and Telephones	783	751
Printing and Stationery	636	627
Publicity	700	2106
Advertisement	195	154
Bank Charges	704	772
Loss on Foreign Currency Transaction and Translation	0	0
Legal Expenses	352	423
Auditors' Remuneration:		
For Audit Fee	59	49
For Tax Audit Fee	7	6
For Other Services-Interim Audit & Other Certification fees	87	79
Selling Agents Commission	16	21
Donations	0	0
Handling Charges	173	255
Write Off:		
Stores	1768	2320
Shortages / Rejections	484	899
Others	374	1935
Freight and Insurance	960	947
Corporate Social Responsibility	7216	7859
Loss on Fair Value Adjustment	2443	4223
Loss on Sale of Property, Plant & Equipment (Net)	0	0
Miscellaneous Operating Expenses (@)	35352	34965
TOTAL	121086	120954
(@) includes Director's Sitting Fees, excluding GST for the current year is ₹ 7 Lakh (For the year ended 31 st March 2021 is ₹ 32 Lakh)	8	39



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 44- Direct Input to Work in Progress / Expenses Capitalised

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
A) DIRECT INPUT TO WIP		
Project related Travel	493	212
Project related Training	0	25
Project related other Expenditure	5023	2665
Travel outstation jobs	1	0
Royalty	1820	1374
Foreign Technician Fee	156	908
Ground Risk Insurance	3234	3180
Quality Audit Expenses	4	3
Design and Development	14106	16496
Sundry Direct Charges - Others	340	363
Sub-Total (A)	25177	25226
B) EXPENSES CAPITALISED TO INTANGIBLE ASSET		
Licence Fees	6454	216
Computer software	684	534
Documentation	0	1
Sub-Total (B)	7138	751
TOTAL (A + B)	32315	25977

Note 45- Provisions

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Replacement and Other Charges	78729	21175
Warranty	51544	32561
Redundancy provision - Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials, Inventory - Warranty and Work-in-Progress	56005	43009
Liquidated Damages	74395	43875
Doubtful Debts	105418	1426
Doubtful Claims	6777	2955
Impairment of Investments	86	25
TOTAL	372954	145026

Refer Clause 13.1 of Note 49 for movement of Provisions





Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 46- Expenses relating to Capital and Other Accounts

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Expenses allocated to:		
Other Intangible assets	7138	751
Special Tools	1180	1094
Capital Works	1315	181
Development Expenditure	60518	52937
Others	13265	38431
TOTAL	83416	93394

Other Comprehensive Income

Note 47- Items that will not be reclassified to Profit or Loss

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Remeasurements of the defined benefit plans	19607	-9687
Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	7	-17
TOTAL	19614	-9704

Note 48- Items that will be reclassified to profit or loss

(₹ in Lakhs)

Particulars	For the Year ended 31 st March 2022	For the Year ended 31 st March 2021
Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent to be classified into profit or loss	0	0
TOTAL	0	0



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

(₹ unless otherwise stated is in lakhs)

1. 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	
		31 st March 2022	31 st March 2021
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	
	31 st March 2022	31 st March 2021
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		As at	
	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
Current assets	553	1519	131	156
Current liabilities	1829	1525	70	66
Net Current assets	-1276	-6	61	90
Non-current assets	1990	2038	700	701
Non-current liabilities	1540	1556	2	
Net Non-current assets	450	482	698	701
Net assets	-826	476	759	791
Accumulated Non-Controlling Interests	-	-	375	391



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

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		For the year ended	
	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
Revenue	438	540	40	53
Profit for the year	-1282	-1104	-33	-80
Other Comprehensive Income	-20	46		
Total Comprehensive Income	-1302	-1058	-33	-80
Profit/(Loss) allocated to Non-Controlling Interests	-	-	-16	-40
Dividends paid to Non-Controlling Interests	-	-	-	-

Summarised Cash Flow:

₹ in Lakhs

Particulars	Naini Aerospace Limited		Indo-Russian Helicopters Limited	
	For the year ended		For the year ended	
	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
Cash flow from operating activities	-301	-605	-64	-55
Cash flow from investing activities	-20	925	40	53
Cash flow from financing activities				
Net increase/(decrease) in cash and cash equivalents	-321	320	-24	-2

2. Principles of Consolidation:

Sl. No.	Particulars
1	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 the Company's Standalone Financial Statement.
2	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.
3	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.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

- 4 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 JV's are also not disclosed as there is no further liability/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
- 5 Interests in Joint Ventures are accounted for using the equity method after initially being recognised at cost in the Consolidated Balance Sheet.
- 6 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.
- 7 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.
- 8 The figures of previous year have been considered based on audited financial statements of the Subsidiary / Joint Ventures.

3. In Compliance with Ind AS 112 - Disclosure of Interest in Other Entities, the required information is as follows:-

a) Details of interest in Joint Venture is as under:

Name of the Joint Ventures*	Nature of Business	Proportion of Ownership Interest (in %) as at	
		31 st March 2022	31 st March 2021
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, 2022

Note 49 - Consolidated Notes to Financial Statements

Name of the Joint Ventures*	Nature of Business	Proportion of Ownership Interest (in %) as at	
		31 st March 2022	31 st March 2021
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-Russian Aviation Limited (IRAL)	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%
TATA HAL Technologies Limited (TATA-HAL)	Provide Engineering & Design Solutions Leveraging the strength of parties.	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%

* All Joint Ventures have been incorporated in India and the principal place of business is in India.

Hindustan Aeronautics Limited has invested in two companies i.e. Aerospace and Aviation Sector Skill Council & Defence Innovation Organisation. The companies are incorporated under Sec 8 of the Companies Act 2013. As per In AS 110, the Company does not exercise any control over Aerospace and Aviation Sector Skill Council & Defence Innovation Organisation. Hence they have not been considered for consolidation in Consolidated Financial Statements



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

b) 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

Particulars	Bae-HAL Software Ltd		Safran HAL Aircraft Engines Private Ltd		SAMTEL HAL Display Systems Ltd	
	As at		As at		As at	
	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
Current assets						
- Cash & Cash equivalents	73	5	355	444	1	18
- Other assets	2205	2113	6424	7263	993	1675
Total current assets	2278	2118	6779	7707	994	1693
Total non-current assets	287	296	5816	2951	76	86
Current liabilities						
- Financial liabilities (excluding trade payables)		63	1336	587	380	380
- Other liabilities	1842	1300	1966	1441	1543	2283
Total current liabilities	1842	1363	3302	2028	1923	2663
Non-Current liabilities						
- Financial liabilities (excluding trade payables)			940	913		
- Other liabilities	110	148	128	102	69	63
Total non-current liabilities	110	148	1068	1015	69	63
Net assets	613	903	8225	7615	-922	-947

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

Summarised Balance Sheet

Particulars	HALBIT Avionics Pvt Ltd		Indo-Russian Aviation Ltd		HATSOFF Helicopter Training Pvt Ltd	
	31 st March 2022	As at 31 st March 2021	31 st March 2022	As at 31 st March 2021	31 st March 2022	As at 31 st March 2021
Current assets						
- Cash & Cash equivalents	589	670	7734	8034	1538	2097
- Other assets	3036	2737	12254	9763	2775	2949
Total current assets	3625	3407	19988	17797	4313	5046
Total non-current assets	88	96	81	78	15627	16637
Current liabilities						
- Financial liabilities (excluding trade payables)					16561	15814
- Other liabilities	4801	4646	4458	2662	140	1295
Total current liabilities	4801	4646	4458	2662	16701	17109
Non-Current liabilities						
- Financial liabilities (excluding trade payables)					6359	8623
- Other liabilities	23	22	464	461	165	147
Total non-current liabilities	23	22	464	461	6524	8770
Net assets	-1111	-1165	15147	14752	-3285	-4196



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

Summarised Balance Sheet

Particulars	TATA HAL Technologies Ltd				International Aero-space Manufacturing Pvt Ltd				Multirole Transport Aircraft Ltd.				Helicopter Engines MRO Pvt Ltd			
	As at		As at		As at		As at		As at		As at		As at		As at	
	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
Current assets																
- Cash & Cash equivalents	20	47	286	72	2534	2698	1136	118								
- Other assets	55	55	8106	10017	8719	8368	125	111								
Total current assets	75	102	8392	10089	11253	11066	1261	229								
Total non-current assets																
Current liabilities																
- Financial liabilities (excluding trade payables)			1409	3995												
- Other liabilities	6	15	4136	4300	13	14	34	1								
Total current liabilities	6	15	5545	8295	13	14	34	1								
Non-Current liabilities																
- Financial liabilities (excluding trade payables)					2	1										
- Other liabilities			186	171												
Total non-current liabilities			186	171	2	1										
Net assets	69	87	10084	9384	17233	18338	2197	247								

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

₹ in Lakhs

Summarised Statement of Profit & loss

Particulars	BAe-HAL Software Ltd		Safran HAL Aircraft Engines Private Ltd		SAMTEL HAL Display Systems Ltd		HALBIT Avionics Pvt Ltd		Indo Russian Aviation Ltd	
	For the year ended	31 st March 2021	For the year ended	31 st March 2021	For the year ended	31 st March 2021	For the year ended	31 st March 2021	For the year ended	31 st March 2021
Revenue	1516	1404	7674	4250	2819	1197	413	411	7537	6469
Interest Income	7	8	16	24	1		41	42	417	599
Depreciation & amortisation	27	16	254	230	10	12	1	1	8	9
Interest expense	16	17	14	28	18	15				
Income tax expense		-55	224	124			5		284	380
Other Expenditure	1778	1630	6595	3540	2767	1277	394	415	6877	5569
Profit from continuing operations	-298	-196	603	352	25	-107	54	37	785	1110
Profit from discontinued operations										
Profit for the year	-298	-196	603	352	25	-107	54	37	785	1110
Other comprehensive income	8	6	7							
Total comprehensive income	-290	-190	610	352	25	-107	54	37	785	1110
Dividends Received (HAL share)									187	94



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

Reconciliation of the summarised financial information to the carrying amount of interest in Joint venture

Particulars	BAe-HAL Software Ltd		Safran HAL Aircraft Engines Private Ltd		SAMTEL HAL Display Systems Ltd		HALBIT Avionics Pvt Ltd		Indo Russian Aviation Ltd	
	As at		As at		As at		As at		As at	
	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
Opening net assets	903	1093	7615	7263	-947	-840	-1165	-1202	14752	13837
Restatement of financial statement by JV										
Profit for the year	-298	-196	603	352	25	-107	54	37	785	1110
Other comprehensive income	8	6	7							
Dividends paid									-390	-195
Appropriation										
Share Capital issued										
Closing net assets	613	903	8225	7615	-922	-947	-1111	-1165	15147	14752
Group's share in %	49%	49%	50%	50%	40%	40%	50%	50%	48%	48%
Group's share in INR	300	442	4113	3808	-369	-379	-556	-583	7271	7081
Unrealised Gain/ Loss									-1630	-1556
Unrecognised Losses (Net of subsequent profits)					529	539	939	966		
Provision for Diminution	61				160	160	383	383		
Goodwill										
Carrying amount	239	442	4113	3808	0	0	0	0	5641	5525

₹ in Lakhs

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

Summarised Statement of Profit & loss

Particulars	HATSOFF Helicopter Training Pvt Ltd		TATA HAL Technologies Ltd		International Aerospace Manufacturing Pvt Ltd		Multirole Transport Aircraft Ltd.		Helicopter Engines MRO Pvt Ltd	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021
Revenue	4685	4432		36	15078	10809		7		17
Interest Income	97	114		9	7	13	516	535	11	2
Depreciation & amortisation	982	984			1084	1248	1293	1306	5	17
Interest expense	844	982		2	72	147				
Income tax expense					266	74	28	11		
Other Expenditure	2046	1493	18	92	12944	9280	300	105	56	52
Profit from continuing operations	910	1087	-18	-49	719	73	-1105	-880	-50	-50
Profit from discontinued operations										
Profit for the year	910	1087	-18	-49	719	73	-1105	-880	-50	-50
Other comprehensive income	1			-1	-2	-33		-8		
Total comprehensive income	911	1087	-18	-50	717	40	-1105	-888	-50	-50
Dividends Received (HAL share)					9	17				



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

Reconciliation of the summarised financial information to the carrying amount of interest in Joint venture

Particulars	HATSOFF Helicopter Training Pvt Ltd		TATA HAL Technologies Ltd		International Aerospace Manufacturing Pvt Ltd		Multirole Transport Aircraft Ltd.		Helicopter Engines MRO Pvt Ltd		₹ in Lakhs
	As at		As at		As at		As at		As at		
	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	31 st March 2022	31 st March 2021	
Opening net assets	-4196	-5283	87	137	9384	9378	18338	19226	247	297	
Restatement of financial statement by JV											
Adjustment for Ind AS 116											
Profit for the year	910	1087	-18	-49	719	73	-1105	-880	-50	-50	
Other comprehensive income	1			-1	-2	-33		-8			
Dividends paid					-17	-34					
Appropriation											
Share Capital issued									2000		
Closing net assets	-3285	-4196	69	87	10084	9384	17233	18338	2197	247	
Group's share in %	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Group's share in INR	-1643	-2098	34	43	5042	4692	8617	9170	1099	124	
Unrealised Gain/ Loss					-27	-8					
Unrecognised Losses (Net of subsequent profits)	5483	5938	473	464						263	
Provision for Diminution	3840	3840	507	507	855	855	6678	6678	412	387	
Goodwill											
Carrying amount	0	0	0	0	4160	3829	1939	2492	687	0	



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

4. (a) **Claims / Demands against the Group contested and are not acknowledged as debts (Gross)** ₹ in Lakhs

Particulars*	As at	
	31 st March 2022	31 st March 2021
In respect of the Group		
(i) Sales Tax / Entry Tax / GST	1121902	1008938
(ii) Service Tax	138028	127359
(iii) Customs Duty	30184	25376
* In terms of Pricing Policy agreed with Indian Defence Customers, prices approved are exclusive of taxes and duties i.e. Sales Tax, GST, 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.		
Sub Total (A)	1290114	1161673
In respect of Joint Ventures (Group Share)		
(i) Sales Tax / Entry Tax / GST	160	0
(ii) Service Tax	0	0
(iii) Customs Duty	0	0
Sub Total (B)	160	0
Total (A+B)	1290274	1161673

(b) **Contingent Liability not acknowledged as debts (Gross)** ₹ in Lakhs

Particulars	As at	
	31 st March 2022	31 st March 2021
In respect of the Group		
(i) Income Tax	98788	18700
(ii) Municipal Tax	15210	0
(iii) Others**	40375	50846
** ₹ 40375 lakh does not include ₹ 1686 lakh (P.Y. ₹ 1686 lakh) of contingent liability to M/s Halbit Avionics Private Limited.		
Hitherto the Company was claiming that the factory land and incidental uses are not subject to property tax by Bruhath Bangalore Mahanagara Palike(BBMP). The Joint Commissioner, BBMP, Mahadevpura by his order dated 13.08.2021 did not accept the contention and directed the Assistant Revenue officer to make an assessment order after giving opportunity to the Company.		
The officer, suo moto raised a demand of ₹ 20253 lakh for the FY 2008-09 to 2021-22 without passing an order consisting of property tax ₹ 8268 Lakh and interest thereon ₹ 11985 Lakhs.		
The Company has filed an appeal before the City Civil Court, Bangalore to set aside the demand notice and the appeal is pending.		
Pending disposal of the appeal and without prejudice to its grounds under writ petition, pursuant to legal advice the Company has recognized ₹ 5043 Lakhs property tax based on self-assessment basis.		
Sub Total (A)	154373	69546
In respect of Joint Ventures (Group Share)		
(i) Income Tax	33	21
(ii) Municipal Tax	0	0
(iii) Others	0	0
Sub Total (B)	33	21
Total (A+B)	154406	69567



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

(c) Commitments

₹ in Lakhs

Particulars	As at	
	31 st March 2022	31 st March 2021
In respect of the Group		
Estimated amount of contracts remaining to be executed and not provided for on Capital Account	136154	119170
In respect of Joint Ventures (Group Share)		
Estimated amount of contracts remaining to be executed and not provided for on Capital Account	4084	4022
Total	140238	123192

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. Notes Specific to Joint Ventures

(i) In respect of BAeHAL Software Limited

Unbilled Revenues

The company has shown Unbilled Revenues valuing ₹ 695.05 Lakhs (P.Y.938.25 Lakhs) shown under Revenue from operations & under Current Assets-Others in Balance Sheet and are expected to be invoiced latest by August 2022 as per best possible estimate given by management. The company is executing multiple projects spanning over multiple years. End customers keep making changes in requirements of the deliverables, this leads to delay in delivery of the products.

The Unbilled Revenue of ₹ 231.33 Lakhs is pending for more than 3 years which pertains to TPM projects amounting to ₹ 109.47 Lakhs and RTS projects amounting to ₹ 121.86 Lakhs. Delay in completion of billable milestones due to multiple changes in the scope/project requirement by the customers, resulting to redoing the IETM tool, delay in testing & approvals from end customers has caused the delay. However now the requirements are finalized and the same is expected to be billed during the F.Y. 2022-23

(ii) In respect of HATSOFF Helicopter Training Private Limited

Going Concern

The Company has made a net profit of ₹ 911.20 Lakhs during the period ended 31 March, 2022 and, as of that date, the Company's current liabilities exceeded its current assets. In addition to this, as at the balance sheet date, the Company has significant accumulated losses which have resulted in erosion of the net worth. The networth of the Company as at 31 March, 2022 is negative by ₹ 3285.02 Lakhs (as at 31 March, 2021 negative by ₹ 4196.22 Lakhs). However, these financial statements have been prepared on a going concern basis, notwithstanding the above factors in view of the following:

- 1) Board has affirmed that Company has the ability to meet all the obligations.
- 2) The Company is 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 loan interest upto 05 September, 2020. Besides interest payment, ECB principal of ₹ 3103 lakhs (US\$ 4,132,244) has been paid against ECB overdue installments during the financial year at various dates.
- 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.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

(iii) In respect of HALBIT Avionics Private Ltd

The Company has the following conditions that may cast doubt on its ability to continue as a going concern viz., Net liability position (improved to ₹ 1111 lakhs as at 31 March, 2022 from ₹ 1164 lakhs as at 31 March, 2021); Net current liability position (improved to ₹ 1176 lakhs as at 31 March, 2022 from ₹ 1179 lakhs as at 31 March, 2021). Despite these conditions, its current liability to creditor, though recorded, isn't payable immediately, as they are yet to complete part performance of their obligation and being a shareholder-joint venture partner themselves, the Company has drawn up financial plans to liquidate the liability in a phased manner. The Company, based on its estimated future growth as per the business plans and projected cash flow, is confident of funding its operating and capital expenditure and continue business operations in the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

(iv) In respect of TATA HAL Technologies Ltd

Pursuant to the Board Resolution dated 08th June 2021, the company has filed the application for voluntary liquidation to MCA in terms of Section 59 of the Insolvency and Bankruptcy Code, 2016 and the official liquidator is appointed. As the company is under liquidation, the joint venture is not considered for consolidation.

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

(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 hitherto 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 from the year ended 31st March 2021, and accordingly not considered for consolidation.

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



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

6. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

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	
	2021-22		2021-22		2021-22		2021-22	
	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	1920481	100	509325	100	14687	100	524012
Subsidiaries								
Naini Aerospace Limited*	0	-5826	0	-1282	0	-20	0	-1302
Indo-Russian Helicopters Ltd*	0	-121	0	-16			0	-16
Non Controlling Interest in Subsidiaries*	0	375	0	-16			0	-16
Joint Ventures (Investment as per the equity method)								
M/s BAe-HAL Software Ltd*	0	239	0	-146	0	4	0	-142
M/s Safran HAL Aircraft Engines Private Ltd*	0	4113	0	301	0	4	0	305
M/s Indo Russian Aviation Ltd*	0	5641	0	303			0	303
M/s HALBIT Avionics Pvt Ltd								
M/s HAL Edgewood Technologies Pvt Ltd								
M/s SAMTEL HAL Display Systems Ltd								
M/s INFOTECH HAL Ltd*								
M/s HATSOFF Helicopter Training Pvt Ltd								
M/s TATA HAL Technologies Ltd								
M/s International Aerospace Manufacturing Pvt Ltd*	0	4160	0	360	0	-1	0	359
M/s. Multirole Transport Aircraft Ltd.*	0	1939	0	-553			0	-553
M/s. Helicopter Engines MRO Pvt Ltd*	0	687	0	-288			0	-288
Total	100	1931688	100	507988	100	14674	100	522662

* less than 1 %

Note: The above figures are after eliminating intra-group transactions and intra-group balances as at 31st March 2022.

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

6. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

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	
	2020-21		2020-21		2020-21		2020-21	
	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	1530923	100	325258	100	-7283	100	317975
Subsidiaries								
Naini Aerospace Limited*	0	-4524	0	-1104	-1	46	0	-1058
Indo-Russian Helicopters Ltd*	0	-105	0	-40			0	-40
Non Controlling Interest in Subsidiaries*	0	391	0	-40			0	-40
Joint Ventures (Investment as per the equity method)								
M/s BAe-HAL Software Ltd *	0	442	0	-96	0	3	0	-93
M/s Safran HAL Aircraft Engines Private Ltd*	0	3808	0	176			0	176
M/s Indo Russian Aviation Ltd*	0	5525	0	779			0	779
M/s HALBIT Avionics Pvt Ltd								
M/s HAL Edgewood Technologies Pvt Ltd								
M/s SAMTEL HAL Display Systems Ltd								
M/s INFOTECH HAL Ltd*								
M/s HATSOFF Helicopter Training Pvt Ltd								
M/s TATA HAL Technologies Ltd								
M/s International Aerospace Manufacturing Pvt Ltd*	0	3829	0	37	0	-16	0	21
M/s. Multitrole Transport Aircraft Ltd.*	0	2492	0	-440	0	-4	0	-444
M/s. Helicopter Engines MRO Pvt Ltd*			0	25			0	25
Total	100	1542781	100	324555	100	-7254	100	317301

* less than 1%

Note: The above figures are after eliminating intra-group transactions and intra-group balances as at 31st March 2021.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

7. Restatement for the year ended 31 March 2021 and as at 1 April 2020

In accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1, 'Presentation of Financial Statements', the Company has retrospectively restated its Balance Sheet as at 31 March 2021 and 1 April 2020 (beginning of the preceding period) and Statement of Profit and Loss for the year ended 31 March 2021 for the reasons as stated in the notes no 7(f). Reconciliation of financial statement line items which are retrospectively restated are as under:

(a) Reconciliation of restated items of Balance Sheet as at 1 April 2020

₹ in Lakhs

Particulars	Note No.	As previously reported	Reclassification	As at 01.04.2020	Restatement as on 01 st April 2020 for prior periods in financial year 2021-22	As restated
ASSETS						
Non-current assets						
(a) Property, Plant and Equipment	1	635059		635059	-23723	611336
(b) Capital work-in-progress	2	86000		86000	-12273	73727
(c) Investment Property	3	3		3		3
(d) Goodwill	4	0		0		0
(e) Other Intangible assets	5	100687		100687		100687
(f) Intangible Assets under Development	6	118269		118269		118269
(g) Investments accounted for using the equity method	7	15754		15754		15754
(h) Financial Assets	7A	83326	6044	89370		89370
(i) Investments						
(ii) Trade Receivables	8	0		0		0
(iii) Contract Assets	8A	0		0		0
(iv) Loans	9	4796	-3840	956		956
(v) Other Financial Assets	10	34513	3840	38353		38353
(i) Deferred tax Assets (Net)	11	47011		47011		47011
(j) Other Non-Current Assets	12	62940		62940	-156	62784
Current assets						
(a) Inventories	13	1943590		1943590	12273	1955863
(b) Financial Assets				0		
(i) Investments	14	0		0		0
(ii) Trade receivables	15	1123473		1123473	2922	1126395
(iii) Contract Assets	15A	784173		784173	2054	786227
(iv) Cash and Cash Equivalents	16	27932		27932		27932
(v) Bank Balances other than Cash and Cash Equivalents	17	3724		3724		3724
(vi) Loans	18	1943	-766	1177		1177
(vii) Other Financial Assets	19	121903	-5278	116625	514	117139
(c) Current Tax Assets (Net)	20	3531		3531		3531
(d) Other Currents Assets	21	129111		129111	156	129267
Total		5327738	0	5327738	-18233	5309505



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

₹ in Lakhs

Particulars	Note No.	As previously reported	Reclassification	As at 01.04.2020	Restatement as on 01 st April 2020 for prior periods in financial year 2021-22	As restated
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share capital	22	33439		33439		33439
(b) Other Equity	23	1291412		1291412	514	1291926
Non-controlling interest		431		431		431
LIABILITIES						
Non-current liabilities						
(a) Financial Liabilities						
(i) Borrowings	24	0		0		0
(ia) Lease Liabilities	24A		221	221		221
(ii) Trade payables	25	0		0		0
(iii) Other Financial Liabilities	26	55207	-221	54986		54986
(b) Provisions	27	128875		128875		128875
(c) Deferred Tax Liabilities (Net)	28	0		0		0
(d) Other Non-Current Liabilities	29	705654		705654	-14376	691278
Current Liabilities						
(a) Financial liabilities						
(i) Borrowings	30	588650		588650		588650
(ia) Lease Liabilities	30A		8	8		8
(ii) Trade payables	31					
A) total outstanding dues of micro enterprises and small enterprises		4779		4779	87	4866
B) total outstanding dues of creditors other than micro enterprises and Small enterprises		403595		403595	739	404334
(iii) Other Financial liabilities	32	250539	-8	250531	-826	249705
(b) Other Current Liabilities	33	1302889		1302889	-4371	1298518
(c) Provisions	34	504192		504192		504192
(d) Current Tax Liabilities (Net)	35	58076		58076		58076
Total		5327738	0	5327738	-18233	5309505

Note: Reclassification/disclosure which has no impact on Profit and loss and retained earnings.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

(b) Reconciliation of restated items of Balance Sheet as at 31.03.2021

₹ in Lakhs

Particulars	Note No.	As previously reported	Reclassification	As at 31.03.2021	Restatement as on 31 st March 2021 for prior periods in financial year 2021-22	As restated
ASSETS						
Non-current assets						
(a) Property, Plant and Equipment	1	654701		654701	-32523	622178
(b) Capital work-in-progress	2	79156		79156	-12823	66333
(c) Investment Property	3	3		3		3
(d) Goodwill	4	0		0		0
(e) Other Intangible assets	5	94407		94407		94407
(f) Intangible Assets under Development	6	128627		128627		128627
(g) Investments accounted for using the equity method	7	16096		16096		16096
(h) Financial Assets						
(i) Investments	7A	89455	6581	96036		96036
(ii) Trade Receivables	8	0		0		0
(iii) Contract Assets	8A	0		0		0
(iv) Loans	9	4613	-3863	750		750
(v) Other Financial Assets	10	34476	3863	38339		38339
(i) Deferred tax Assets (net)	11	5235		5235		5235
(j) Other Non-Current Assets	12	70686		70686	-51	70635
Current assets						
(a) Inventories	13	1654477		1654477	12823	1667300
(b) Financial Assets						0
(i) Investments	14	0		0		0
(ii) Trade receivables	15	563786	-7991	555795	11010	566805
(iii) Contract Assets	15A	834616	7991	842607	2161	844768
(iv) Cash and Cash Equivalents	16	714615		714615		714615
(v) Bank Balances other than Cash and Cash Equivalents	17	3120		3120		3120
(vi) Loans	18	1470	-690	780		780
(vii) Other Financial Assets	19	105510	-5891	99619	1163	100782
(c) Current Tax Assets (Net)	20	0		0		0
(d) Other Currents Assets	21	139541		139541	51	139592
Total		5194590	0	5194590	-18189	5176401



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

₹ in Lakhs

Particulars	Note No.	As previously reported	Reclassification	As at 31.03.2021	Restatement as on 31 st March 2021 for prior periods in financial year 2021-22	As restated
EQUITY AND LIABILITIES						
Equity						
(a) Equity Share capital	22	33439		33439		33439
(b) Other Equity	23	1507788		1507788	1163	1508951
Non-controlling interest		391		391		391
LIABILITIES						
Non-current liabilities						
(a) Financial Liabilities						
(i) Borrowings	24	0		0		0
(ia) Lease Liabilities	24A		231	231		231
(ii) Trade payables	25	0		0		0
(iii) Other Financial Liabilities	26	49560	-231	49329		49329
(b) Provisions	27	121572	4032	125604		125604
(c) Deferred Tax Liabilities (Net)	28	0		0		0
(d) Other Non-Current Liabilities	29	930769		930769	-13639	917130
Current Liabilities						
(a) Financial liabilities						
(i) Borrowings	30	907		907		907
(ia) Lease Liabilities	30A		8	8		8
(ii) Trade payables	31					0
A) total outstanding dues of micro enterprises and small enterprises		4698		4698	511	5209
B) total outstanding dues of creditors other than micro enterprises and Small enterprises		219404		219404	947	220351
(iii) Other Financial liabilities	32	196748	-8	196740	-1458	195282
(b) Other Current Liabilities	33	1689422		1689422	-5713	1683709
(c) Provisions	34	397638	-4032	393606		393606
(d) Current Tax Liabilities (Net)	35	42254		42254		42254
Total		5194590	0	5194590	-18189	5176401

Note: Reclassification/disclosure which has no impact on Profit and loss and retained earnings.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

(c) Reconciliation of restated items of Statement of Profit and Loss for the year ended 31 March 2021

₹ in Lakhs

Particulars	For the year ended 31 March 2021
Profit after tax as per previously audited financial statement	323906
RESTATEMENT ADJUSTMENTS:	
Revenue recognised on the assets created out of funds received from the customers	14739
Cost of sales recognised pertaining to the revenue on the assets created out of funds received from the customer	-14739
Reversal of revenue recognised, equivalent to depreciation charged on the assets funded by the customer, as per earlier policy	-2039
Reversal of depreciation charged on customer funded asset	2039
Recognition of claims from Insurance Companies for refund of Insurance premium paid	649
Profit after tax as per Restated Accounts	324555
Other Comprehensive Income	-7254
Total Comprehensive Income	317301

(d) Earning per Equity share

As a result of the above-mentioned adjustments, basic and diluted earnings per share for the financial year 2020-21 changed as below:

Particulars	As previously reported	Adjustments	As restated
Earnings per Equity Share			
Basic earnings per Equity Share (in Rupees)	96.87	0.19	97.06
Diluted earnings per Equity Share (in Rupees)	96.87	0.19	97.06

₹ in Lakhs

Particulars	As at 1 April 2020	As at 31 March 2021
Equity as previously reported	1325282	1541618
Revenue recognised on the assets created out of funds received from the customers	27107	41846
Cost of sales recognised pertaining to the revenue on the assets created out of funds received from the customer	-27107	-41846
Reversal of revenue recognised, equivalent to depreciation charged on the assets funded by the customer, as per earlier policy	-3384	-5423
Reversal of depreciation charged on customer funded asset	3384	5423
Recognition of claims from Insurance Companies for refund of Insurance premium paid	514	1163
Equity as per re-stated Accounts	1325796	1542781



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

(f) Accounting treatment of assets funded by Customer for its use in specific project:

In respect of certain capital items specific to projects have been funded by the customer either upfront or is reimbursed through product cost spread over the duration of the projects. Hitherto these assets were capitalized, and shown under Property, Plant and Equipment. Revenue was recognised to the extent of depreciation on such capitalized assets. The value of assets were adjusted to Advances from Customers, where the Company has no control over the assets and disclosed under explanatory notes to Financial Statement.

An Expert Advisory Committee opinion was sought from The Institute of Chartered Accountants of India for the accounting treatment of assets funded by Customer for its use in specific project. Based on the opinion received, the view taken by the Company that it has control over the assets, recognising revenue towards the consideration received in the form of assets, over the useful life of the asset, to the extent of depreciation provided on such assets are not correct. As per the opinion received from Expert Advisory Committee, the revenue in respect of funds received from the customer for the manufacturing facility should be recognized as or when the control over manufacturing facility is transferred to the customer in line with the requirements of Ind AS 115.

As at 01st April 2020:

Revenue pertains to previous periods prior to comparative period presented. Revenue and cost to the extent of ₹ 27107 Lakh is recognised in the opening reserve as at 01st April 2020.

Revenue and cost recognised to the extent of depreciation, on such assets, pertains to previous periods prior to comparative period presented, now reversed to the extent of ₹ 3384 Lakh in the opening reserve as at 01st April 2020.

Consequently, Trade receivables for ₹ 2922 Lakh, Contract Assets for ₹ 2054 Lakh and Advances from Customers for ₹ 18747 Lakh has been restated based on the terms of payment. Further, Capital Work in Progress, Capital Advance & Capital Creditors pertaining to such assets has been reclassified.

For the year ended 31st March 2021:

Revenue pertains to comparative period. Revenue and cost to the extent of ₹ 14739 Lakh is recognised in the Comparative period i.e 2020-21. Revenue and cost recognised to the extent of depreciation on such assets, now reversed by restating the Revenue and depreciation in the Comparative period i.e 2020-21 for ₹ 2039 Lakh.

Consequently, cumulative impact on Trade receivables for ₹ 11010 Lakh, Contract Assets for ₹ 2161 Lakh and Advances from Customers for ₹ 19352 Lakh has been restated based on the terms of payment. Further, cumulative impact on Capital Work in Progress, Capital Advance & Capital Creditors pertaining to such assets has been reclassified.

Insurance Premium

The provisional insurance premium paid on Aviation Policy was charged off to Profit and Loss Account in the respective years i.e. 2018-19, 2019-20 and 2020-21. On the basis of submission of actual value of Aircraft delivered during the said period, the actual premium has been assessed and excess of provisional premium over the actual premium is recognised and restated accordingly.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

8. Financial instruments by category

- (a) The carrying value and fair value of Financial instruments by each category as at 31st March, 2022 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	119491	-	-	119491	119491
(ii) Loans	1444	-	-	1444	1444
(iii) Other financial assets	143353	-	-	143353	143353
(iv) Trade receivables	464153	-	-	464153	464153
(v) Contract Asset	780865	-	-	780865	780865
(vi) Cash and Cash equivalents	307037	-	-	307037	307037
(vii) Bank balance other than Cash & Cash equivalents	1127735	-	-	1127735	1127735
Liabilities:					
(i) Trade payables	255761	-	-	255761	255761
(ii) Other financial liabilities	237830	-	-	237830	237830
(iii) Borrowings	0	-	-	0	0
(iv) Lease Liabilities	249	-	-	249	249

- (b) The carrying value and fair value of Financial instruments by each category as at 31st March, 2021 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	96036	-	-	96036	96036
(ii) Loans	1530	-	-	1530	1530
(iii) Other financial assets	139121	-	-	139121	139121
(iv) Trade receivables	566805	-	-	566805	566805
(v) Contract Asset	844768	-	-	844768	844768
(vi) Cash and Cash equivalents	714615	-	-	714615	714615
(vii) Bank balance other than Cash & Cash equivalents	3120	-	-	3120	3120
Liabilities:					
(i) Trade payables	225560	-	-	225560	225560
(ii) Other financial liabilities	244611	-	-	244611	244611
(iii) Borrowings	907	-	-	907	907
(iv) Lease Liabilities	239	-	-	239	239



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

(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	
	31 st March 2022	31 st March 2021
(i) Financial assets at amortised cost		
- Interest income from bank deposits	34715	2130
- Interest income from other financial assets	7781	6793
- Gain/(Loss) on amortisation of financial assets	2130	4159
(ii) Financial liabilities at amortised cost		
- (Gain)/Loss on amortisation of financial liabilities	2443	4223

9 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.

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 derived 93% (31 March, 2021-94%) 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 31.03.2022	69229	32680	32284	29997	34422	265542	464153
Net carrying amount as at 31.03.2021	156392	52588	29423	52038	46843	229521	566805

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.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

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 incurrance 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 cashflows.

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 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.

g) COVID-19 Impact

Current year Impact:

Second wave of Covid-19 has forced the Group to declare for a phased lockdown at various Divisions on substitution basis during April and May 2021. The employees have put in additional hours for the hours lost during lockdown period. The lost man hours was recovered in June and July 2021. The Group has shown improved performance in the last three Quarters (July – March 2022). Hence, there is no significant impact during the year ended 31.03.2022.

Anticipated Future Impact :

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



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

10 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.

Particulars	₹ in Lakhs	
	As at 31 st March 2022	As at 31 st March 2021
Debt		907
Equity	1931688	1542781
No of times	0.00:1	0.00:1

No changes were made in the objectives, policies or processes for managing capital during the period ended 31st March 2022 and 31st March 2021.

11 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/ICRA A1+ by ICRA & CARE AAA/Stable/ CARE A1+ by CARE

12 UN-HEDGED FOREIGN CURRENCY EXPOSURE

	As at 31 st March 2022		As at 31 st March 2021	
	Foreign Currency	Amount in INR (in Lakhs)	Foreign Currency	Amount in INR (in Lakhs)
RECEIVABLES				
GBP	260611	255	16441	16
EURO	285965	238	3997088	3379
USD	7858820	5890	5257645	3823
RBL	299562	3	72566	1
PAYABLES				
GBP	39246377	39591	23570247	24148
EURO	56583103	48623	33736674	29494
USD	121772511	93122	106996117	79402
CHF	122439	101	462908	367
JPY	165750000	1043	207628783	1399
CAD	657158	404		



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

13.1 Movement of provisions in the Books of Accounts during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013, is as follows:

₹ in Lakhs

Nature of Provision	Opening Balance as at 1 st April 2021	Provision made during the year	Utilisation during the year	Reversal during the year	Closing Balance as at 31 st March 2022
Provision for Warranty Charges	82581	51544	20562	4238	109325
(Previous Year-31.03.2021)	(65,384)	(32,561)	(12,897)	(2,467)	(82,581)
Provision for Replacement and Other Charges	153272	78729	8682	5465	217854
(Previous Year-31.03.2021)	(181,747)	(21,175)	(26,554)	(23,096)	(153,272)
Provision for Redundancy in Raw Material and Components, Work in progress, Stores and Spares, Construction Material and Loose Tools	133241	56005	8	3002	186236
(Previous Year-31.03.2021)	(92,528)	(43,009)	-	(2,296)	(133,241)
Provision for Doubtful Debts	16362	105418		2520	119260
(Previous Year-31.03.2021)	(15,972)	(1,426)	(1)	(1,035)	(16,362)
Provision for Claims	28307	6777		4904	30180
(Previous Year-31.03.2021)	(31,215)	(2,955)	(33)	(5,830)	(28,307)
Provision for Liquidated Damages	127943	74395	54573	1979	145786
(Previous Year-31.03.2021)	(202,740)	(43,875)	(118,672)	-	(127,943)
Provision for Impairment of Investments	13,310	86	-	-	13396
(Previous Year-31.03.2021)	(13,285)	(25)	-	-	(13,310)
Provision for Onerous contract	-	-	-	-	
(Previous Year-31.03.2021)	(32,183)	-	(32,183)	-	-

* Figures in brackets relate to previous year.

Nature of Provision	As at 31 st March 2022			As at 31 st March 2021		
	Long Term Provision	Short Term Provision	Total Provision	Long Term Provision	Short Term Provision	Total Provision
Provision for Warranty Charges	4700	104625	109325		82581	82581
Provision for Replacement and Other Charges	15179	202675	217854	12544	140728	153272
Provision for Redundancy in Raw Material and Components, Work in progress, Stores and Spares, Construction Material and Loose Tools		186236	186236		133241	133241
Provision for Doubtful Debts		119260	119260		16362	16362
Provision for Claims	14384	15796	30180	19211	9096	28307
Provision for Liquidated Damages	7331	138455	145786	11332	116611	127943
Provision for Impairment of Investments	13396		13396	13310		13310
Provision for Onerous contract						

13.2 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



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

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.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

14.1 DISCLOSURE RELATING TO IND AS-24 ON RELATED PARTY DISCLOSURES

₹ in Lakhs

(a) The name of the transacting related party	M/s. Indo Russian Aviation Limited	M/s. BAE HAL Software Limited	M/s. Safran HAL Aircraft Engines Private Ltd	M/s. SAMTEL HAL Display Systems Limited	M/s. HAL-Edge-wood Technologies Private Limited	M/s. HALBIT Avionics Private Limited	M/s. Infotech HAL Limited	M/s. HATSOFF Helicopter Training Private Ltd.	M/s. Tata HAL Technologies Ltd.	M/s. International Aerospace Manufacturing Pvt. Ltd.	M/s. Multitrole Transport Aircraft Ltd.	M/s. Aerospace & Aviation Sector Skill Council	M/s. Helicopter MRO Engines Pvt. Ltd	M/s. Defence Innovation Organisation
	India	India	India	India	India	India	India	India	India	India	India	India	India	India
Country of incorporation	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%
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
(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
(d) Volume of the transactions either as an amount or as an appropriate proportion on Purchase of Goods and Services and other expenses	6,967	425	-	2,622	-	56	185	-	2	8	-	-	-	-
Previous year 31 st March 2021	(5,830)	(592)	-	(1,232)	-	(91)	(172)	-	(30)	-	-	-	(7)	-
Volume of the transactions either as an amount or as an appropriate proportion on Sale of Goods and Services	-	-	-	-	-	-	-	50	-	605	-	-	-	-
Previous year 31 st March 2021	(373)	210	-	314	-	296	16	-	-	(496)	-	-	100	-
(e) 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	(8,283)	(290)	-	(32)	(2)	(394)	(7)	-	-	-	-	-	(100)	-
Previous year 31 st March 2021	12	440	-	-	456	239	-	12	-	606	1	32	23	-
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	(6)	(296)	-	-	(439)	(145)	-	(527)	-	(753)	(2)	(65)	-	(4)
Previous year 31 st March 2021	4	173	-	6	18	55	-	732	-	241	11	-	-	-
Previous year 31 st March 2021	(3)	(163)	-	-	(35)	(54)	-	(62)	-	(225)	(20)	(70)	-	-
(g) Advances Outstanding on Purchases of Goods and Services	-	-	1	34	-	-	-	-	-	-	-	-	-	-
Previous year 31 st March 2021	-	-	(1)	(197)	(52)	-	-	-	-	-	-	-	919	-
Advances Outstanding on Sale of land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous year 31 st March 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

₹ in Lakhs

(a)	The name of the transacting related party	M/s. Indo Russian Aviation Limited	M/s. BAE HAL Software Limited	M/s. Safran HAL Aircraft Engines Pvt. Ltd	M/s. SAMTEL HAL Display Systems Limited	M/s. HAL-Edge-wood Technologies Private Limited	M/s. HALBIT Avionics Private Limited	M/s. Infotech HAL Limited	M/s. HATSOFF Helicopter Training Private Ltd.	M/s. Tata HAL Technologies Ltd.	M/s. International Aerospace Manufacturing Pvt. Ltd.	M/s. Multitrol Transport Aircraft Ltd.	M/s. Aerospace & Aviation Sector Skill Council	M/s. Helicopter MRO Engines Pvt. Ltd	M/s. Defence Innovation Organisation
(h)	Allowances recognised in respect of Doubtful debts during the year	-	-	-	-	17	94	-	(515)	-	-	-	-	-	-
(i)	Previous year 31 st March 2021	-	-	-	-	(37)	(39)	-	(58)	-	-	-	-	-	-
	Dividend on Investments	187	-	-	-	-	-	-	-	-	9	-	-	-	-
	Previous year 31 st March 2021	(94)	-	-	-	-	-	-	-	-	(17)	-	-	-	-
(j)	Re-imbursement Salaries including KMP Salaries	82	20	-	-	-	43	-	-	-	35	-	-	23	-
	Previous year 31 st March 2021	(67)	-	-	-	-	(40)	-	-	-	(52)	-	-	-	-
(k)	Re-imbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	6
	Previous year 31 st March 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)
(l)	Provision for doubtful debts related to the amount of outstanding balances	-	-	-	-	456	239	-	12	-	-	-	-	-	-
	Previous year 31 st March 2021	-	-	-	-	(439)	(145)	-	(527)	-	-	-	-	-	-
(m)	Grant outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	4,500
	Previous year 31 st March 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,500)
(n)	Write Off of Advance	-	-	-	-	374	-	-	-	-	-	-	-	-	-
	Previous year 31 st March 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The differences in the amount disclosed by the Group and JV's are due to reconciliation items.

Figures in brackets relate to Previous Year (as at 31.03.2021)

Transaction with the related parties are made on normal commercial terms and at market rates.

Key Management Personnel of the Company in Joint Ventures are as follows:

Shri R Madhavan, Chairman & Managing Director

Shri Alok Verma - Director (Human Resources)

Shri Arup Chatterjee, Director (Engineering and R&D)

Shri C.B. Anantha Krishnan - Director (Finance) & CFO

Shri G V Susha Reddy Company Secretary

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, 2022

Note 49 - Consolidated Notes to Financial Statements

14.2 Key Management Personnel in the Company

₹ in Lakhs

Particulars	For the year ended 31 st March 2022			For the year ended 31 st March 2021		
	Salary	Company Contribution to PF / Gratuity	Total	Salary	Company Contribution to PF / Gratuity	Total
1 Shri R Madhavan, Chairman & Managing Director	70	5	75	63	5	68
2 Shri Alok Verma, Director (Human Resources)	58	5	63	53	4	57
3 Shri C. B. Anantha Krishnan, Director (Finance) & CFO	62	5	67	56	5	61
4 Shri M.S.Velpari, Director (Operations)	53	4	57	53	4	57
5 Shri Arup Chatterjee, Director (Engineering and R&D)	59	5	64	55	5	60
6 Shri G.V. Sessa Reddy (Company Secretary)	41	4	45	35	3	38

Shri R. Madhavan was appointed as Chairman & Managing Director with effect from 1st September 2018.

Shri C.B.Anantha Krishnan was appointed as Director (Finance) and CFO with effect from 1st August 2018.

Shri M.S.Velpari ceased to be Director (Operations) consequent upon superannuation on 28th February 2022.

Shri Arup Chatterjee was appointed as Director (Engineering and R&D) with effect from 1st June 2018.

Shri Alok Verma was appointed as Director (Human Resources) with effect from 1st January 2020.

14.3 PART TIME NON-OFFICIAL DIRECTORS

₹ in Lakhs

	Sitting Fees
1 Rear Admiral K.C. Sekhar AVSM, VSM(Retd), Independent Director	3
2 Dr.S Malla Reddy, Independent Director	2
3 Dr. Divya Gupta, Independent Director	2
Total	7

14.4 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	For the year ended 31 st March 2022	For the year ended 31 st March 2021
1. HAL - Bangalore Complex	12992	13221
2. HAL - Nasik	3762	4179
3. HAL - Koraput	2541	2193
4. HAL - Hyderabad	1682	864
5. HAL - Lucknow	1559	1811
6. HAL - Korwa	841	915
7. HAL - Kanpur	1180	1088
8. HAL - Corporate Office	505	433
Total	25062	24704



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

14.5 The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (HAL Employees Gratuity scheme). During the year, the Company contributed ₹ 18525 Lakhs (Previous Year - ₹ 15580 Lakhs) and as on 31-03-2022 the amount payable is NIL (Previous year ₹ 3174 Lakhs), amount receivable is ₹ 17022 lakhs (Previous Year ₹ 17999 lakhs) and Advance paid to Gratuity trust is ₹ 5640 lakhs (Previous year NIL).

14.6 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

14.7 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 Defense (MoD), for short closure of the Contracts associated with the M/s Multirole Transport Aircraft (MTA) project and request 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.

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. TATA HAL Technologies Limited, Pursuant to the Board Resolution dated 08th June 2021, the company has filed the application for voluntary liquidation to MCA in terms of Section 59 of the Insolvency and Bankruptcy Code, 2016 and the official liquidator is appointed.

14.8 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 Bharat Electronics Limited (BEL) with an authorised Capital of ₹ 100 lakhs (Paid up capital as on 31.03.2021 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 of 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 is recognised and disclosed in other financial liabilities - other liabilities (note 32).

14.9 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.

The company has received a sum of ₹ 919 lakhs from HE-MRO for transfer of lease hold land at Goa to HE MRO for right of use assets and the transfer of land is pending for registration, accordingly the carrying amount of right of use assets of ₹ 811 lakhs has been disclosed as asset held for sale and ₹ 919 lakhs received from HE-MRO disclosed under note 32 Non current - other liabilities in accordance with Ind AS 105.



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

14.10 Promoters of HE-MRO have decided to restart the activities of the Company on improvement of the Covid-19 situation. To meet its financial requirement, HE-MRO in its 33rd Board meeting held on 30th July 2021 decided to raise funds by way of Right issue of 20 lakh equity shares to the existing shareholders at par value of ₹ 100 per share. HE-MRO has sent Right issue offer letter to existing shareholders including HAL. This matter was put up to Board of Directors of HAL in its 449th Meeting held on 21st September 2021, and the Board has accepted the Right issue offer. Consequent to the same, ₹ 1000 lakhs has been paid to HE-MRO towards equity participation in Rights issue of HE-MRO Private Limited on 30.09.2021. The Company has been allotted 10 lakh Equity shares of ₹ 100 each on 11th November 2021 against the share application money paid.

14.11 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.

₹ in lakhs

Type of Borrower	As at 31 st March 2022		As at 31 st March 2021	
	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

15. 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".

16. 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.

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

₹ in Lakhs

18.	For the year ended 31 st March 2022	For the year ended 31 st March 2021
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.	17643	6385



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

19. 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 year ended 31 March 2022 by ₹ 5256 lakhs (Previous year: ₹ 14450 lakhs) and a consequential reduction in sales revenue for the year ended 31 March 2022 by ₹ 812 lakhs (Previous year: ₹ 5677 lakhs) .

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 recoverable Note No.19 for ₹ 24489 lakhs (Previous year ₹ 19368 lakhs)

In respect of employees who retired prior to 30 June, 2021, provision is made for the amount recoverable ₹ 2584 lakhs (Previous year: ₹ 2680 lakhs).

The amount withheld from employees who retired after 30th June 2021 is kept under other liabilities ₹ 1835 lakhs (Previous year: ₹ NIL).

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

20. The Board in its 436th meeting held on 25th June 2020 accorded approval to re-introduce the HAL Employees Voluntary Retirement Scheme-2020 subject to approval of the Administrative Ministry in light of the present economic circumstances and changing business scenario and to operate economically to reduce surplus manpower and high labour cost to withstand the competition from private companies. Administrative Ministry approval for the scheme is awaited.
21. Pursuant to the Orders passed for the Assessment years 2007-08, 2010-11 to 2015-16, giving effect to the orders of the Appellate authority, CY ₹ 119273 lakhs (PY ₹ 4933 lakhs for the Assessment years 2005-06 and 2006-07) provision no longer required is credited under Tax expense and consequent interest income of CY ₹ 26273 lakhs (PY ₹ 4791 lakhs) is included in other income. Pending passing of Revision order by the Assessing officer, giving effect to the Income Tax Appellate Tribunal Orders for AY 2011-12 to AY 2014-15 estimated refund of ₹ 107329 lakhs and the interest thereon ₹ 41175 lakhs is not recognised and will be given effect in the year in which the revision order is passed by the Assessing Officer.

		₹ in Lakhs	
22. Value of Imports calculated on CIF basis:	For the year ended 31 st March 2022	For the year ended 31 st March 2021	
(i) Raw Materials	322954	382959	
(ii) Components and Spares	315604	306769	
(iii) Capital Goods	3691	6865	
(iv) Special Tools	14752	31157	
Total	657001	727750	
23. Raw Materials, Spare Parts and Components consumed :	For the year ended 31 st March 2022	For the year ended 31 st March 2021	
(i) Imported (including Customs Duty)	685951	627875	
(% to total)	74.86	74.23	
(ii) Indigenous	230339	218015	
(% to total)	25.14	25.77	
Total (Gross)	916290	845890	
(Total %)	100	100	



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

24.1 The aggregate amount of Research and Development Expenditure recognised as expenses during the period is as below:

	₹ in Lakhs	
Expenditure on R&D included in :	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Raw Material Consumption	42898	36287
Direct Expenses	18585	18586
Salaries and Wages	64576	62845
Other Expenses	13821	12971
Depreciation & Amortisation	35618	31368
Impairment	4862	6329
Provisions	16331	354
Total R & D Expenditure	196691	168740

24.2 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 st March 2022	As at 31 st March 2021
Opening Balance	158018	143279
Additions	14339	14739
Deletions		
Closing Balance	172357	158018

24.3 Sales includes ₹ 127600 lakhs of differential sale on finalization of fixed price quotation for the years from the F.Y. 2016-17, approved by the Ministry of Defence.

24.4 While the Group is pursuing actively with Ministry of Defence for the approval of the price variation to change order in LCA-IOC contract which is pending approval, out of prudence, provision for ₹ 99025 lakhs is recognized in the financial statements.

24.5 The Company's IJT Division is primarily engaged in production of Intermediate Jet Trainer (IJT) Aircraft. Contract for supply of 12 Limited Series Production of IJT Aircraft with IAF is pending for fulfillment of certain Parameters as required by the Customer. Completion of all parameters required by the Customers will take some more time after which delivery of 12 IJT LSP will start. As per the Article 5.2 of 12 LSP IJT Contract, Stores to be supplied under this contract shall be new i.e. not manufactured before and shall incorporate all the latest improvement and modification thereto. Therefore, Parts manufactured and lying in Inventory could not be used for delivery of ultimate product to the customers at this stage. Accordingly, Work in progress of ₹ 26589 Lakhs lying in the Books of IJT Division as on 31.03.2022 has been fully provided for in line with Company's accounting procedure.

Similarly, Kanpur Division of HAL has received order for supply of Series production of 72 IJT which will start after completion of supply of 12 IJT by IJT LSP Division. Accordingly, Net realisable value of Stock in Trade and Finished Goods of valuing ₹ 5705 Lakhs in the Books of Lucknow and Hyderabad Division has been considered as NIL in the Books of Lucknow and Hyderabad Division as on 31.03.2022.

25.1 Capital Work-in-progress	As at 31 st March 2022	As at 31 st March 2021
Opening Balance	66333	73727
Additions	45383	37738
Deletions	16806	45132
Closing Balance	94910	66333



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

25.2 Capital Work-in-Progress (CWIP) Ageing schedule

₹ in Lakhs

Particulars	As at 31.03.2022					As at 31.03.2021				
	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	39494	19660	12757	22999	94910	20673	15085	23533	7042	66333
(ii) Projects temporarily suspended	-	-	-	-	0	-	-	-	-	0
Total	39494	19660	12757	22999	94910	20673	15085	23533	7042	66333

Capital Work-in-Progress (CWIP), whose completion is overdue or has exceeded its cost compared to its original plan: CWIP completion Schedule

₹ in Lakhs

CWIP (individual project wise details)	As at 31.03.2022				As at 31.03.2021			
	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) Aerospace	29	0	0	0	57	0	0	0
(ii) LCH	599	0	0	0	599	0	0	0
(iii) ALH	142	0	0	0	95	69	0	0
(iv) LUH	3013	0	0	0	0	0	0	0
(v) SU-30	18336	0	0	0	6029	0	0	0
(vi) General purpose CWIP	10967	979	0	0	15480	171	0	0
(vii) Project pertaining to Subsidiary Company		109			118			
Projects where activity has been suspended								
(i)								
Total	33086	1088	0	0	22378	240	0	0

26. Intangible assets under development - Ageing schedule

₹ in Lakhs

Particulars	As at 31.03.2022					As at 31.03.2021				
	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	30884	24572	20278	82125	157859	24228	20735	38132	46545	129640
(ii) Projects temporarily suspended	-	-	-	-	0	-	-	-	-	0
Total	30884	24572	20278	82125	157859	24228	20735	38132	46545	129640



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

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

₹ in Lakhs

Intangible assets under development	As at 31.03.2022				As at 31.03.2021			
	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) Development projects	296	0	0	0	168	0	0	0
Projects where activity has been suspended								
(i)								
Total	296	0	0	0	168	0	0	0

27.1. Trade Receivables Ageing schedule (Note - 15)

₹ in Lakhs

Particulars		As at 31.03.2022							
		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			
(i)	Undisputed Trade receivables - considered good	198611	115864	105430	34477	9771	0	0	464153
(ii)	Undisputed Trade receivables - which have significant increase in credit risk	0	0	0	0	0	0	0	0
(iii)	Undisputed Trade receivables - credit impaired	2	7	19	5	13874	0	0	13907
(iv)	Disputed Trade receivables - considered good	0	0	0	0	0	0	0	0
(v)	Disputed Trade receivables - which have significant increase in credit risk	0	0	0	0	0	0	0	0
(vi)	Disputed Trade receivables - credit impaired	0	0	0	0	0	0	0	0
Less : Allowance for Doubtful Debts		2	7	19	5	13874	0	0	13907
Total		198611	115864	105430	34477	9771	0	0	464153



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

₹ in Lakhs

Particulars		As at 31.03.2021							
		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			
(i)	Undisputed Trade receivables - considered good	337134	94334	92634	33840	8863	0	0	566805
(ii)	Undisputed Trade receivables - which have significant increase in credit risk	0	0	0	0	0	0	0	0
(iii)	Undisputed Trade receivables - credit impaired	0	117	2204	0	11185	0	0	13506
(iv)	Disputed Trade receivables - considered good	0	0	0	0	0	0	0	0
(v)	Disputed Trade receivables - which have significant increase in credit risk	0	0	0	0	0	0	0	0
(vi)	Disputed Trade receivables - credit impaired	0	0	0	0	0	0	0	0
	Less : Allowance for Doubtful Debts	0	117	2204	0	11185	0	0	13506
	Total	337134	94334	92634	33840	8863	0	0	566805

27.2. Contract Assets Ageing schedule (Note - 15A)

₹ in Lakhs

Particulars	As at 31.03.2022							
	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			
(i) Undisputed Contract Assets - considered good	416027	114219	145053	62633	85255	58047	0	881234
(ii) Undisputed Contract Assets - which have significant increase in credit risk	0	0	0	0	4752	0	0	4752
(iii) Undisputed Contract Assets - credit impaired	0	0	0	232	0	0	0	232
(iv) Disputed Contract Assets - considered good	0	0	0	0	0	0	0	0
(v) Disputed Contract Assets - which have significant increase in credit risk	0	0	0	0	0	0	0	0



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

₹ in Lakhs

Particulars	As at 31.03.2022							
	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			
(vi) Disputed Contract Assets - credit impaired	0	0	0	0	0	0	0	0
Less : Allowance for Doubtful Debts	3399	1837	9344	10073	67072	13628	0	105353
Total	412628	112382	135709	52792	22935	44419	0	780865

₹ in Lakhs

Particulars		As at 31.03.2021							
		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			
(i)	Undisputed Contract Assets - considered good	338455	86648	220150	115079	30191	57101	0	847624
(ii)	Undisputed Contract Assets - which have significant increase in credit risk	0	0	0	0	0	0	0	0
(iii)	Undisputed Contract Assets - credit impaired	0	0	0	0	0	0	0	0
(iv)	Disputed Contract Assets - considered good	0	0	0	0	0	0	0	0
(v)	Disputed Contract Assets - which have significant increase in credit risk	0	0	0	0	0	0	0	0
(vi)	Disputed Contract Assets - credit impaired	0	0	0	0	0	0	0	0
Less : Allowance for Doubtful Debts		0	0	0	0	509	2347	0	2856
Total		338455	86648	220150	115079	29682	54754	0	844768



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

28. Trade Payables Ageing schedule (Note - 31)

₹ in Lakhs

Particulars	As at 31.03.2022						
	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	3647	127	5	0	0	796	4575
(ii) Other than Micro enterprises and Small enterprises	199644	11525	3560	30774	5323	360	251186
(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	203291	11652	3565	30774	5323	1156	255761

₹ in Lakhs

Particulars	As at 31.03.2021						
	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	5158	51	0	0	0	0	5209
(ii) Other than Micro enterprises and Small enterprises	158453	20463	2615	21776	17045	0	220351
(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	163611	20514	2615	21776	17045	0	225560



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

29. Disclosure under Ind AS 116 as lessee:

a) As a Lessee:

		₹ in Lakhs	
Sl. No.	Particulars	31 st March 2022	31 st March 2021
1.	depreciation on right-of-use assets for the year ended	292	64
2.	interest expense on lease liabilities for the year ended	17	17
3.	total cash outflow for leases for the year ended	7	297
4.	additions to right-of-use assets for the year ended	0	8108
5.	carrying amount of right-of-use assets as at	8574	9280

One Avro Aircraft (BH 572) is on lease from Indian Air Force for a period of 1 year for an amount of ₹ 228 lakhs. The charges for the same has been accounted as expenditure of ₹ 228 lakhs for the year ended 31st March 2022. The Group has option to renew the lease subject to increment of 9% over previous year.

b) 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 30 of Note 49 gives information about the operating leases of Investment Property.

		₹ in Lakhs	
Operating Lease		For the year ended 31 st March 2022	For the year ended 31 st March 2021
Lease income		1481	1312

The Property, Plant and Equipment disclosed under Note 1A includes the following assets given on Operating Lease

		₹ in Lakhs						
Particulars	As at 31.03.2022				As at 31.03.2021			
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Land - Freehold	94	0	94	0	94	0	94	0
Buildings - Owned	14	11	3	0	14	11	3	0
Aircraft/Helicopters	1610	416	1194	81	1610	335	1275	81
Total	1718	427	1291	81	1718	346	1372	81

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		31 st March 2022	31 st March 2021
Less than one year		495	765
One to Two years		357	477
Two to Three years		375	341
Three to Four years		395	358
Four to Five years		130	376
More than Five years		1952	436
Total undiscounted lease payments		3702	2753



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

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 Lakhs

30	Particulars	For the year ended	For the year ended
		31 st March 2022	31 st March 2021
	Information regarding income and expenditure of Investment property As per Ind AS 40 - Investment property:		
	Rental income derived from investment properties	1,240	694
	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	1,240	694
	Less – Depreciation	-	-
	Profit arising from investment properties before Indirect expenses	1,240	694

Fair value of investment property

As at 31st March 2022, the fair value of the properties is ₹ 9627 lakhs as valued by an Registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

₹ in Lakhs

31.	Particulars	For the year ended	
		31 st March 2022	31 st March 2021
	As per Ind AS-33 relating to Earnings per Share (Basic and Diluted)-		
	Profit Before Tax	522453	428348
	Provision for Taxation	14465	103793
	Net Profit After Tax	507988	324555
	Weighted Average Number of Equity Shares of Face Value of ₹ 10/- each fully paid up	334387500	334387500
	Earnings per Share (in Rupees) - Basic	151.92	97.06
	Earnings per Share (in Rupees) - Diluted	151.92	97.06

32. Revaluation of Property, Plant and Equipment The Group has not revalued its Property, Plant and Equipment

33. Details of Benami Property held as at 31st March 2022

₹ in Lakhs

Details of property	(a) year of acquisition	(b) Amount thereof	(c) Details of Beneficiaries	(d) If property is in the books, then reference to the item in the Balance sheet	(e) If property is not in the books, then the fact shall be stated with reasons	(f) Where there are proceedings against the company under this law as an abetter of the transaction or as the transferor then the details shall be provided	(g) Nature of proceedings, status of same and company's view on same
	NIL	NIL	NIL	NIL	NIL	NIL	NIL



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

Details of Benami Property held as at 31st March 2021

₹ in Lakhs

Details of property	(a) year of acquisition	(b) Amount thereof	(c) Details of Beneficiaries	(d) If property is in the books, then reference to the item in the Balance sheet	(e) If property is not in the books, then the fact shall be stated with reasons	(f) Where there are proceedings against the company under this law as an abettor of the transaction or as the transferor then the details shall be provided	(g) Nature of proceedings, status of same and company's view on same
	NIL	NIL	NIL	NIL	NIL	NIL	NIL

34. Where the Company has borrowings from banks or financial institutions on the basis of security of current assets	For the year ended 31 st March 2022	For the year ended 31 st March 2021
(a) Whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.	<p>The Company has been sanctioned working capital limits of ₹ 400000 lakhs, non-fund based limits of ₹ 205000 lakhs and Corporate loan of ₹ 183000 lakhs by consortium of Bankers. As on 31.03.2022, no fund based limits and Corporate Loans were utilised by the Company against the sanctioned limits.</p> <p>Due to timing differences in filing the quarterly stock statements with the bank and finalisation of Audited Accounts, there is a difference between drawing power (DP) as submitted to the Banks and DP assessed based on the Quarterly Audited Accounts. However, the differences are not material.</p>	<p>The Company has been sanctioned working capital limits of ₹ 1000000 lakhs, non-fund based limits of ₹ 205000 lakhs by consortium of Bankers. As on 31.03.2021, no fund based limits were utilised by the Company against the sanctioned limits.</p> <p>The quarterly stock statements filed by the Company and the Books of Account are in agreement.</p>
(b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed		

35. Wilful Defaulter

The company has not been declared wilful defaulter by any Bank or Financial institutions.

	As at 31 st March 2022	As at 31 st March 2021
(a) Date of declaration as wilful defaulter	NA	NA
(b) Details of defaults (amount and nature of defaults)	NA	NA

36. The company did not have any transactions with any Struck off Companies (under section 248 of Companies Act, 2013) as certified by the Management.

37. Compliance with number of layers of companies NA

38. Compliance with approved Scheme(s) of Arrangements NA

39. 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



Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Note 49 - Consolidated Notes to Financial Statements

(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.

40. Undisclosed Income

Details of any transaction 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.

NIL

NIL

41. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2021-22 (P.Y. Nil)

42. 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 March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

IndAS 16-Property Plant and equipment-The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37-Provisions, Contingent Liabilities and Contingent Assets-The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

43. The financial statements were approved for issue by the Board of Directors at their meeting held on 13 May, 2022.

These financial statements are presented in Indian rupees (rounded off to lakhs). Previous Year figures have been rearranged or regrouped wherever necessary.

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Financial Statements As per our Report of even date

For and on behalf of the Board of Directors

For Maharaj N R Suresh and Co. LLP

Chartered Accountants

Firm Registration No. 001931S/S000020



CA N R Suresh

Partner

Membership No. 021661

Place: Bangalore

Date: 13.05.2022


(C. B. Ananthakrishnan)
Director (Finance) & CFO
DIN: 06761339


(R. Madhavan)
Chairman & Managing Director
DIN: 08209860


(G. V. Sesha Reddy)
Company Secretary

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	5000	1000
5	Reserves & surplus	-5826	-241
6	Total assets	2543	832
7	Total Liabilities	3369	73
8	Investments	1089	0
9	Turnover	413	0
10	Profit/loss before taxation	-1282	-33
11	Provision for taxation	0	0
12	Profit/loss after taxation	-1282	-33
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

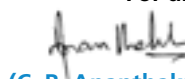
For and on behalf of the Board of Directors

For Maharaj N R Suresh and Co. LLP
Chartered Accountants
Firm Registration No. 001931S/S000020



CA N R Suresh
Partner
Membership No. 021661

Place: Bangalore
Date: 13.05.2022



(C. B. Ananthakrishnan)
Director (Finance) & CFO
DIN: 06761339



(R. Madhavan)
Chairman & Managing Director
DIN: 08209860



(G. V. Sesha Reddy)
Company Secretary

Form AOC-1

Part "B" : Associates and Joint Ventures

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 HAL Edgewood Technologies Pvt Ltd	M/s HALBIT Avionics Pvt Ltd	M/s Indo Russian Aviation Ltd	M/s INFOTECH HAL Ltd	M/s HATSOFF Helicopter Training Pvt Ltd	M/s TATA HAL Technologies Ltd	M/s International Aerospace Manufacturing Pvt Ltd	M/s Multitrole Transport Aircraft Ltd.	M/s Aerospace & Aviation Sector Skill Council (AASSC)	M/s Helicopter Engines MRO Pvt Ltd	Defence Innovation Organisation (DIO)
1	Latest audited Balance Sheet Date	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	30.06.2021	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022
2	Date on which the Associates or joint venture was associated or acquired	Feb-93	Oct-05	Jan-07	Apr-07	May-07	Sep-94	Aug-07	Jan-08	May-08	Jul-10	Dec-10	Sep-14	Aug-16	Apr-17
3	Shares of Associate/Joint Ventures held by the company on the year end														
a	No.	2940000	1140000	160000	300000	382500	936525	2000000	38404205	5070000	4250000	11346564	125	1509986	50
b	Amount of Investment in Associates/ Joint Venture	294	1140	160	300	383	94	200	3840	507	4250	11347	13	1510	1
c	Extent of Holding %	49%	50%	40%	50%	50%	48%	50%	50%	50%	50%	50%	50%	50%	50%
4	Description of how there is significant influence	NA	NA	NA	NA	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	NA	Does not exercise control	NA	Does not exercise control
6	Networth attributable to Shareholding as per latest audited Balance Sheet	300	4113	-369	0	-556	7271	0	-1643	34	5042	8617	13	1099	1
7	Profit / Loss for the year	-290	610	25	0	54	785	0	911	-18	717	-1105	NA	-50	NA
i	Considered in Consolidation	-142	305	0	0	0	377	0	0	0	359	-553	NA	-25	NA
ii	Not Considered in Consolidation	-148	305	25	0	54	408	0	911	-18	359	-553	NA	-25	NA

1 Name(s) of joint venture(s) which is/are yet to commence operations:-

a Multi-Role Transport Aircraft Limited

2 Names of associates or joint ventures which have been liquidated or sold during the year-NIL

For and on behalf of the Board of Directors

For Maharaj N R Suresh and Co. LLP

Chartered Accountants

Firm Registration No. 001931S/S000020



CA N R Suresh

Partner

Membership No. 021661

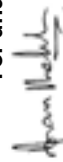
Place: Bangalore

Date: 13.05.2022

(C. B. Ananthakrishnan)

Director (Finance) & CFO

DIN: 06761339



(R. Madhavan)

Chairman & Managing Director

DIN: 08209860



(G. V. Seshu Reddy)

Company Secretary

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