

VISION

To become a significant global player in the aerospace industry

MISSION

To achieve self reliance in design, development, manufacture, upgrade and maintenance of aerospace equipment, diversifying into related areas and managing the business in a climate of growing professional competence to achieve world-class performance standards for global competitiveness and growth in exports





BOARD OF DIRECTORS

Shri T. Suvarna Raju is an alumnus of India's prestigious National Defence College with an M.Phil in Defence Strategic studies. A Mechanical Engineer by graduation and an MBA (Marketing). Shri Raju also holds a PG Diploma in Intellectual Property Rights (IPR) from National Law School of India University.

Shri Raju joined HAL as a Management Trainee in July 1980 and grew up the ladder with varied experiences of manufacturing, overhaul and upgrade of several fleets including Jaguar and Mirage. He saw through the production of Hawk Mk-132 for the Indian Air Force and Indian Navy well ahead of schedule, right from establishing its manufacturing facilities.

Having worked through Aircraft and Overhaul Divisions in various capacities, he rose on the portals of HAL as GM, Aircraft Division and then to the post of Director (Design & Development). Shri Raju was assigned the additional charge of Chairman w.e.f 1st February, 2015, and appointed as Chairman from 5th March, 2015. The post was re-designated as Chairman & Managing Director w.e.f. 1st April, 2015.

Shri Raju is a firm believer that best of technology can never be bought, it can only be developed. To transform the Company into a technology power house, he has taken various path breaking measures to make R&D set up in the Company more competitive. He has put in an R&D Policy in place for the same and has brought in all R&D centres of HAL under a Committee of Institutional Network (COIN) to synergise learning across the organisation. In order to create an IPR wealth for the Company, he has been instrumental in registering more than one thousand patents. He has also provided impetus to programmes like LCA, LUH, LCH, IJT and HTT-40 apart from upgrades of Mirage and Jaguar DARIN-III. He is also keenly steering futuristic programmes such as UAVs, FGFA and Civil Aircraft Development. He has not only pioneered the concept of Performance Based Logistics, but has also been advocating its implementation for the military assets.

Shri Raju is a recipient of Dr. Biren Roy Trust Award of the Aeronautical Society of India for his unstinted efforts in planning and establishment of new technologies at HAL. A "Fellow" of the Indian National Academy for Engineers (INAE), he is currently Chairman of the Aerospace and Aviation Sector Skill Council, Member of the National Aeronautics Coordination Group and First Member Secretary of the Design and Development Management Board (DDMB) established by MoD.



Shri T. Suvarna Raju
Chairman and Managing
Director (CMD)

Shri V. M. Chamola holds a Masters Degree in Economics from Garhwal University, LLB from APS University & MBA(HRM) from IGNOU.

Shri Chamola served NTPC and NJPC in various capacities before joining HAL in 1996 as Deputy General Manager (Personnel & Administration) at Engine Division, Bangalore Complex. He was promoted as Additional General Manager (Personnel & Administration) and later joined Corporate Office.

He has also served as Chief General Manager, BEML. He possesses rich experience in HRD and has contributed towards streamlining the HR systems with a view to provide a healthy environment. He took over as Director (Human Resources) of the Company on 27th July, 2011.



Shri V. M. Chamola
Director (HR)



He was conferred the “Chanakya Award” for Business Excellence in HR on 12th February, 2012 by the Public Relations Council of India (PRCI) during its Annual Conclave at Mumbai in February 2012. He also held the additional charge of the post of Managing Director (Accessories Complex), HAL in respect of Hyderabad and Korwa Divisions, from 1st August, 2013 to 31st March 2015.

Shri. D K Venkatesh, Director (Engg. and R&D) is a Mechanical Engineer from National Institute of Technology, Surat, Associate of the Institute of Costs & Works accountants of India, Post Graduate diploma in Marketing Management and a Post Graduate in Computer Applications.

Shri Venkatesh joined HAL as a Management Trainee on August, 1980 and appointed as Director (Engineering and R & D) of the Company with effect from 27th November 2015.

He has more than 37 years of experience in Manufacture, Assembly, Repair, Overhaul, Prototype development in the areas of Production, Operations, Quality Management, Projects, Design, Customer Support of Aircraft, Helicopters and Gas Turbine Engines. He is a member of the Aeronautical Society of India and active member of the Society for Failure Analysis.



Shri. D K Venkatesh
Director (Engg. and R&D)

Shri C V Ramana Rao, is an Arts Graduate in History, Economic and Political Science. After Graduation he took up the course of Chartered Accountancy and passed in 1985. Subsequently he has also passed Group-I & II of Final Company Secretary Exam.

Shri C V Ramana Rao has more than 36 years of experience in Financial Management, Accounting and Internal Control. He started his career in Foundry & Forge Division and moved to Corporate Office and thereafter reported to BAeHAL a Joint Venture Company of HAL as CFO. Subsequently on Promotion was assigned to Corporate Office In-charge of Finance and Accounts.

He has specialization in Accounting and Audit and has been instrumental in update of Manuals of system Audit, Costing, Accounts, and Performance Budget etc. and developed a uniform master chart of Accounts.

Before assuming charge as Director (Finance), he was General Manager (Finance)- Accounts & Audit.



Shri. C.V. Ramana Rao
Director (Finance) & CFO



Shri Chandraker Bharti 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 20 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.



Shri Chandraker Bharti
Joint Secretary (Aerospace)

Ms. Dipali Khanna has done Master's Degree in Arts with specialization in History from Delhi University. She holds Master's Degree in Science (specialization in National Security) from National Defence College and has also done Certificate Course in Cost & Management Accountancy from the Institute of Cost & Works Accountants, New Delhi. She was appointed as Part-Time Non-official Director on the Board of the Company with effect from 8th January, 2016.

Ms. Dipali Khanna started her career with the Indian Railway Accounts Service in the year 1976 and has contributed substantially during her career spanning over 39 years with various Government Departments. Formulation of long-term plans that addressed key development goals and objectives of various Ministries of the Government of India was a critical component of her responsibilities. Ms. Khanna has played a key role in establishment of National Disaster Management Authority (NDMA) and was also responsible for overseeing the restructuring of the then defunct National Film Development Corporation Ltd. (NFDC) by the Government of India, resulting in the Company achieving profitability within one year of restructuring after more than a decade of recurring losses.

Ms. Khanna has also served actively on the Boards of other Public Sector Undertakings (PSUs) under Ministry of Defence, Ministry of Power and Ministry of Information & Broadcasting. She is presently an Independent Director on the Boards of India Power Corporation Ltd. and Niteesh Estates Ltd.

Ms. Khanna is the Member of Kelkar Committee, Ministry of Defence for Public-Private Partnership in Defence.



Ms. Dipali Khanna
Independent Director



Chief Executive Officers (CEOs)

Shri V. Sadagopan, Chief Executive Officer (CEO), Helicopter Complex is a Mechanical Engineer from University of Madras. He had joined HAL as a management trainee on 6th August, 1979 and was promoted to the post of Executive Director, Helicopter Complex, Bangalore with effect from 1st July, 2013. He was appointed as Chief Executive Officer, Helicopter Complex, w.e.f 1st April, 2015. During his service period of over 38 years, he has held various positions in the Company.



Shri V. Sadagopan
CEO (HC)

Shri Kaveri Renganathan, Chief Executive Officer (CEO), Bangalore Complex is a Mechanical Engineer from the Birla Institute of Technology and Science, Pilani. He had joined HAL as a management trainee on 6th August, 1979. He was appointed as Chief Executive Officer, Bangalore Complex, w.e.f 1st April, 2015. During his service period of over 38 years, he has held various positions in the Company.



Shri Kaveri Renganathan
CEO (BC)

Shri Daljeet Singh, Chief Executive Officer (CEO), MiG Complex is a Mechanical Engineer from Ravishankar University, Raipur. He had joined HAL as a Management Trainee on 6th August, 1979. He was appointed as Chief Executive Officer, MiG Complex, w.e.f 1st April, 2015. During his service period of over 38 years, he has held various positions in the Company.



Shri Daljeet Singh
CEO (MC)

Shri Rajiv Kumar, Chief Executive Officer, Accessories Complex is a Mechanical Engineer from Gorakhpur University, Gorakhpur and masters of business administration from Lucknow University, Uttar Pradesh. He had joined HAL as a Management Trainee on 28th July, 1980. He was appointed as Chief Executive Officer, Accessories Complex, w.e.f 1st April, 2015. During his service period of over 37 years, he has held various positions in the Company.



Shri Rajiv Kumar
CEO (AC)



BOARD OF DIRECTORS

(As on 29th July, 2017)

Shri T. Suvarna Raju

Chairman & Managing Director (CMD) &
Addl Charge of Director (Operations)

Shri V. M. Chamola

Director (Human Resources)

Shri D. K. Venkatesh

Director (Engineering and R&D)

Shri C. V Ramana Rao

Director (Finance) & CFO

Shri Chandraker Bharti

Joint Secretary (Aerospace)
Ministry of Defence
Govt. Nominee Director

Ms. Dipali Khanna

Independent Director

COMPANY SECRETARY

Shri G. V. Sessa Reddy

MEMBERS OF THE MANAGEMENT COMMITTEE

Shri T. Suvarna Raju

Chairman & Managing Director (CMD) &
Addl Charge of Director (Operations)

Shri V. M. Chamola

Director (Human Resources)

Shri D. K. Venkatesh

Director (Engineering and R&D)

Shri C. V Ramana Rao

Director (Finance) & CFO

Shri V. Sadagopan

CEO (Helicopter Complex)

Shri Kaveri Renganathan

CEO (Bangalore Complex)

Shri Daljeet Singh

CEO (MiG Complex)

Shri Rajiv Kumar

CEO (Accessories Complex)





BANKERS

State Bank of India
State Bank of Mysore
State Bank of Hyderabad
State Bank of Travancore
State Bank of Patiala
State Bank of Bikaner & Jaipur
Punjab National Bank
Indian Bank
Indian Overseas Bank
Bank of Baroda
Exim Bank
Syndicate Bank
Union Bank of India

STATUTORY AUDITORS

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

BRANCH AUDITORS

M/s. Rajeev Nandan & Co.,
Chartered Accountants, Kanpur

M/s. Jain & Tripathi & Co.,
Chartered Accountants, Mumbai

M/s. Krishna & Prasad
Chartered Accountants, Hyderabad

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

M/s. SCM Associates.,
Chartered Accountants, Bhubaneswar

M/s. S.N. Saha & Co.,
Chartered Accountants, Kolkata

M/s. J.N. Sharma & Co.,
Chartered Accountants, Kanpur

M/s. MNSY Co.,
Chartered Accountants, Bengaluru

M/s. P.K. Subramaniam & Co.,
Chartered Accountants, Bengaluru

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

M/s. BNPSY & Associates.,
Chartered Accountants, Luknow

M/s. N.N. Yuvraj & Associates.,
Chartered Accountants, Bengaluru

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

M/s. R.K. Tantry & Co.,
Chartered Accountants, Bengaluru

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

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

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

M/s. Venu & Vinay.,
Chartered Accountants, Bengaluru

M/s. P. Chandrashekar
Chartered Accountants, Bengaluru

COST AUDITOR

M/s. KPR & Associates.,
Cost Accountants, Bengaluru

LEGAL ADVISERS

M/s. Sundaraswamy & Ramdas.,
Advocates, Bengaluru

TAX CONSULTANT

M/s. Price Waterhouse Coopers Pvt. Ltd.

CREDIT RATING AGENCY

CARE RATINGS

FITCH Group
(India Ratings & Research Pvt. Ltd.)



FINANCIAL HIGHLIGHTS

Sl. No.	Particulars	Units	02-03	03-04	04-05	05-06	06-07
A	Our Earnings						
	Sales - Inland	₹ Cr.	3017	3585	4384	5155	7513
	Export Sales	₹ Cr.	104	215	150	186	271
	Total Sales	₹ Cr.	3121	3800	4534	5341	7784
	Changes in WIP & SIT& FG	₹ Cr.	357	-44	450	575	1418
	Total	₹ Cr.	3478	3756	4984	5916	9202
B	Our Outgoings						
	Cost of Materials	₹ Cr.	1607	1674	2686	3313	5980
	Manpower Cost	₹ Cr.	747	773	809	838	1055
	Net Operating Cost	₹ Cr.	954	900	918	1014	1163
	Net Financing Cost	₹ Cr.	-308	-247	-251	-452	-840
	Depreciation	₹ Cr.	45	57	65	77	100
	Total	₹ Cr.	3045	3157	4227	4790	7458
C	Our Savings						
	Profit Before Tax	₹ Cr.	433	599	757	1126	1744
	Provision For Tax	₹ Cr.	43	189	256	355	595
	Profit After Tax For Appropriation	₹ Cr.	390	410	501	771	1149
D	We Own						
	Net Block	₹ Cr.	435	515	526	730	1021
	Other Assets (net)	₹ Cr.	2038	2451	3108	3854	4352
	Total	₹ Cr.	2473	2966	3634	4584	5373
E	We Owe						
	Equity	₹ Cr.	121	121	121	121	121
	Reserves and Surplus	₹ Cr.	1810	2121	2508	3050	3913
	Shareholders' Funds	₹ Cr.	1931	2242	2629	3171	4034
	Deferred Tax Liability	₹ Cr.	167	354	624	1048	1335
	Borrowings	₹ Cr.	374	366	363	364	4
	Cash Credit Loan	₹ Cr.	1	5	18	1	-
	Total	₹ Cr.	2473	2967	3634	4584	5373
F	Cash Balance	₹ Cr.					
	Customer Cash	₹ Cr.	-	-	-	-	-
	Company Cash	₹ Cr.	-	-	-	-	-
	Total	₹ Cr.	-	-	-	-	-
G	Financial Statistics						
	Value of Production	₹ Cr.	3478	3756	4984	5916	9202
	Value Added	₹ Cr.	1871	2082	2298	2603	3222
	Dividend (including Tax)	₹ Cr.	88	92	114	229	285
	R & D Expenditure	₹ Cr.	265	314	307	434	638
	Gross Margin (including interest income)	₹ Cr.	595	800	974	1408	2125
	Gross Block	₹ Cr.	1211	1344	1417	1695	2081
	Inventory	₹ Cr.	2395	2577	3509	4810	7223
	Sundry Debtors	₹ Cr.	510	990	1106	1404	1281
	No. Of Employees	Nos.	31138	30450	29807	29668	31666
H	Financial Ratios						
	Sales Per Employee	₹	1002312	1247947	1521119	1800256	2458157
	Value Added Per Employee	₹	600874	683744	770960	877376	1017495
	PBT to Sales	%	14	16	17	21	22
	Earnings Per Share	₹	32.37	34.02	41.58	63.98	95.35
	Dividend as %age of Equity (including Dividend Tax)	%	73	76	95	190	237

1. *The Accounts have been regrouped as per Ind AS

2. 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.

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



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07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15 *	15-16 *	16-17 *
8284	9937	11252	12878	13856	13941	14688	15131	16140	17140
341	437	205	237	348	383	440	490	446	465
8625	10374	11457	13115	14204	14324	15128	15621	16586	17605
166	1437	2033	3335	-1511	-122	740	667	566	-501
8791	11811	13490	16450	12693	14202	15868	16288	17152	17104
4684	7636	9222	11772	5761	8008	9149	8882	9172	8692
1803	2543	1954	2246	2721	2446	2685	3379	3274	3569
1686	887	985	765	2813	2383	2349	2215	2734	1875
-1664	-1732	-1525	-1341	-2107	-2316	-2064	-1622	-1549	-880
118	142	166	169	177	184	171	262	314	266
6627	9476	10802	13611	9365	10705	12290	13116	13945	13522
2164	2335	2688	2839	3328	3497	3578	3172	3207	3582
532	595	721	725	789	500	885	784	1209	967
1632	1740	1967	2114	2539	2997	2693	2388	1998	2615
1080	1328	1466	1509	1556	1548	1582	1559	1697	1987
5585	6816	8163	9722	11260	13397	15794	13996	10137	12460
6665	8144	9629	11231	12816	14945	17376	15555	11834	14447
121	121	121	121	121	121	482	482	362	362
5163	6496	8003	9625	11218	13257	14533	14412	10657	12175
5284	6617	8124	9746	11339	13378	15015	14894	11019	12537
1379	1525	1505	1485	1477	1567	1682	661	815	960
2	2	-	-	-	-	679	-	-	950
-	-	-	-	-	-	-	-	-	-
6665	8144	9629	11231	12816	14945	17376	15555	11834	14447
-	-	-	-	16746	12804	11607	11372	10426	8956
-	-	-	-	5187	6324	5328	6299	2877	2165
-	-	-	-	21933	19128	16935	17671	13303	11121
8791	11811	13490	16450	12693	14202	15868	16288	17152	17104
4107	4175	4268	4678	6932	6194	6719	7406	7980	8412
383	407	460	493	946	957	1041	576	614	1104
662	675	832	987	968	1949	1083	1042	1191	1284
2651	2905	3383	3654	4051	4098	4181	3987	4070	4306
2255	2638	2934	3143	3363	3525	3729	4023	4460	5003
8615	10431	13660	17427	16153	17980	22361	24965	23998	21340
1486	1848	1858	2318	3917	5530	6917	6108	4837	4221
34323	34822	33990	33681	32659	32644	32108	31144	30300	29526
2512892	2979151	3370697	3893887	4349184	4387943	4711598	5015733	5473927	5962541
1196574	1198955	1255663	1388914	2122539	1897439	2092625	2377986	2633663	2849014
25	23	23	22	23	24	24	20	19	20
135.44	144.40	163.24	175.44	210.71	62.18	55.87	49.54	41.45	72.34
318	338	382	409	785	199	216	120	170	305



CHAIRMAN'S STATEMENT



Dear Shareholders,

It is my proud privilege to welcome you all to the 54th Annual General Meeting of your Company. I feel extremely privileged and delighted in communicating with you on the occasion of the AGM and presenting Annual Report for the financial year 2016-17.

Your company has achieved the growth targets in revenues and profit amidst the challenging business environment. The Company has recorded highest ever turnover of ₹17605 Cr with the growth of 6% in comparison with the previous year turnover of ₹16586 Cr

Performance Overview

- Your company's Profit Before Tax for the year 2016-17 is ₹ 3583 Cr with the growth of 12 % over the previous year Profit Before Tax of ₹ 3207 Cr.
- During the year, the Company has produced 56 numbers of new Aircraft and Helicopters covering Su-30 MKI, Hawk, LCA Tejas, Dornier Do-228, ALH Dhruv, ALH-WSI Rudra and Cheetal in addition to the production of Engines and Accessories at its various Divisions. The Company has achieved the all-time high production of 13 numbers of Su-30 MKI aircraft from Raw Material Phase in 2016-17.
- The first squadron of LCA, IAF's No. 45 Squadron "Flying Daggers" became operational on 1st July, 2016 at Bangalore with the induction of two LCA-Tejas aircraft. The third LCA Tejas aircraft has also joined the Squadron in 2016-17. HAL also handed over the first two ALH-WSI (Rudra) to IAF in 2016-17, subsequent to the IOC for IAF version in December, 2015.

