November 11, 2026

Hindustan Aeronautics Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based limits	4,000.00	4,000.00	[ICRA]AAA (Stable); withdrawn	RBI
Short-term – Non-fund based limits	2,050.00	2,050.00	[ICRA]A1+; withdrawn	RBI
Total	**6,050.00**	**6,050.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Hindustan Aeronautics Limited (HAL), at the request of the company, based on the No Objection Certificates (NOC) received from its bankers, and in accordance with ICRA's policy on withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers and their description, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: Click here.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings
Parent/Group support	Parent/Group Company: Government of India (GoI) The assigned rating factors in majority ownership by GoI and the strategic importance that HAL holds for the GoI in defence sector, which we expect should induce it to extend timely financial support to the rated entity, should there be a need.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of HAL. TShe company consolidated its 10 joint ventures and 2 subsidiaries, which are all annexed in Annexure II.

About the Company

HAL, a defence public sector undertaking (DPSU), was established on October 1, 1964, with the amalgamation of Hindustan Aircraft Limited and Aeronautics India Limited. The principal business of HAL is to undertake design, development, manufacturing, maintenance, repair, overhaul, and servicing of aircraft, helicopters, engines and other related systems like avionics, instruments, and accessories. Its primary consumers are the Indian defence forces comprising the Indian Air Force, Indian Army, Indian Navy and the Indian Coast Guard. It also engages with the Indian Space Research Organisation (ISRO) to contribute to its space programmes. The GoI remains HAL's largest shareholder, with a stake of 71.64% as on March 31, 2026. HAL was conferred with the Navratna PSU status in June 2007 and Maharatna status in October 2024. The board of directors also include two nominee directors from the GoI.

The company has four production complexes – Bengaluru complex, MiG complex (located in Nasik and Koraput), helicopter complex (located in Bengaluru and Barrackpore), accessories complex (located in Kanpur, Lucknow, Hyderabad, Kasargod and Korwa). It also has a design complex (R&D centres) jointly located with the related manufacturing divisions.

Key financial indicators (audited)

HAL (Consolidated)	FY2025	FY2026	Q1 FY2027*
Operating income (Rs. crore)	30,981.0	33,088.8	5,515.2
PAT (Rs. crore)	8,323.4	9,071.9	1,578.1
OPBDIT/OI (%)	31.2%	30.1%	27.8%
PAT/OI (%)	26.9%	27.4%	28.6%
Total outside liabilities/Tangible net worth (times)	2.0	2.2	N.A
Total debt/OPBDIT (times)	-	-	-
Interest coverage (times)	1112.6	1717.4	4,374.9

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; N.A: Not available; *unaudited results*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Nov 11, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based facilities	Long Term	4,000.00	[ICRA]AAA (Stable); withdrawn	Sep 30, 2025	[ICRA]AAA (Stable)	Jun 28, 2024	[ICRA]AAA (Stable)	Apr 21, 2023	[ICRA]AAA (Stable)
Non-fund-based facilities	short term	2,050.00	[ICRA]A1+; withdrawn	Sep 30, 2025	[ICRA]A1+	Jun 28, 2024	[ICRA]A1+	Apr 21, 2023	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund-based facilities	Simple
Non-fund-based facilities	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator#
NA	Fund-based facilities	NA	NA	NA	4,000.00	[ICRA]AAA (Stable); withdrawn	RBI
NA	Non-fund-based facilities	NA	NA	NA	2,050.00	[ICRA]A1+; withdrawn	RBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis

Company name	HAL ownership	Consolidation approach
Subsidiaries:		
Naini Aerospace Limited	100.00%	Full Consolidation
Indo Russian Helicopters Limited	50.5%	Full Consolidation
Joint Ventures:		
BAeHAL Software Ltd.	49.0%	Equity Method
Indo Avia Services Ltd (Erstwhile Indo Russian Aviation Ltd.)	48.0%	Equity Method
Safran HAL Aircraft Engines Pvt. Ltd.	50.0%	Equity Method
International Aerospace Manufacturing Pvt. Ltd.	50.0%	Equity Method
Multi-Role Transport Aircraft Ltd.	50.0%	Equity Method
Helicopter Engines MRO Private Ltd.	50.0%	Equity Method
SAFHAL Helicopter Engines Pvt. Ltd.	50.0%	Equity Method
Samtel HAL Display System Ltd.	40.0%	Equity Method
HALBIT Avionics Pvt. Ltd.	50.0%	Equity Method
HATSOFF Helicopter Training Pvt. Ltd.	50.0%	Equity Method

Source: Company

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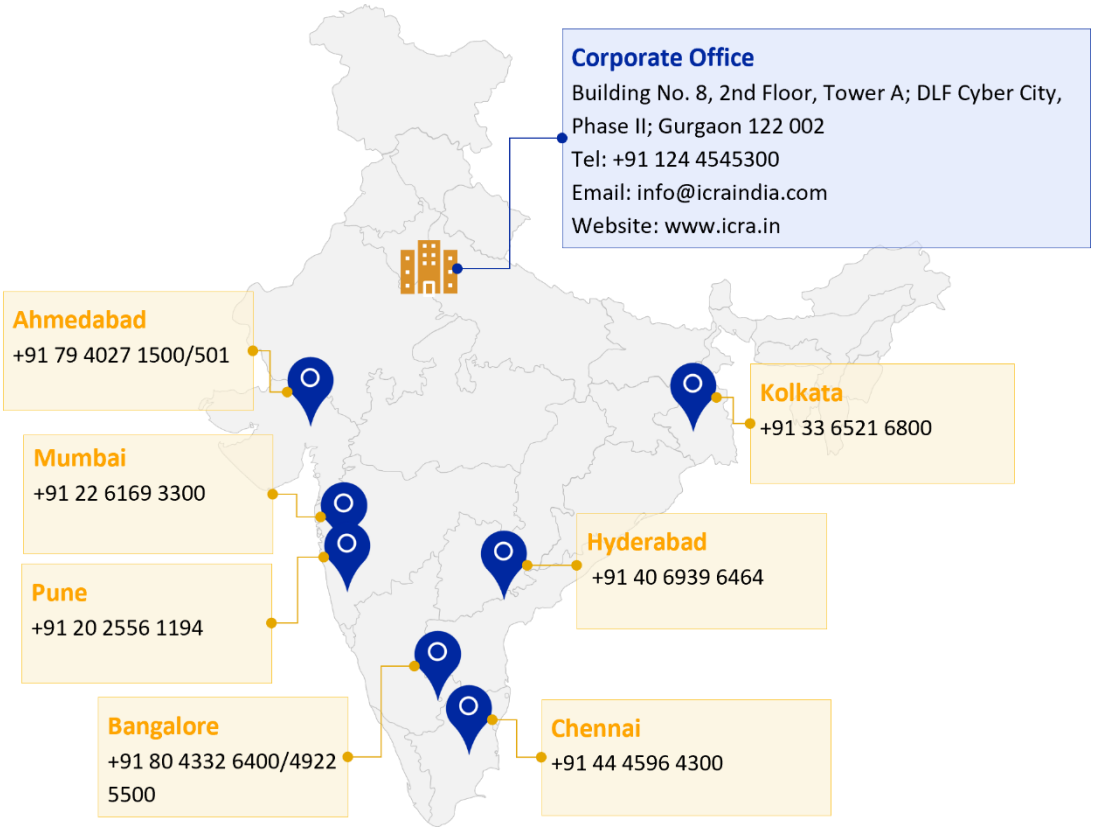
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