7th September, 2020

Co/SEC/4(7)/2020/ BSE & NSE Filing/34

Dear Sir/ Madam,

Sub: Intimation of Rating

Ref: BSE Scrip Code: 541154, NSE Symbol: HAL

Pursuant to the Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we hereby inform you that ICRA Ltd (“ICRA”) and CARE Ratings Ltd (“CARE”) have reaffirmed their ratings on the proposed Commercial paper issue of Rs. 2500 Crore by the Company as follows:

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICRA</td>
<td>A1+</td>
</tr>
<tr>
<td>CARE</td>
<td>A1+</td>
</tr>
</tbody>
</table>


This is for your information and records.

Thanking you,

Yours Faithfully

For Hindustan Aeronautics Ltd

(G V Seshra Reddy)

Company Secretary & Compliance Officer

15/1, Cubbon Road, Bangalore - 560 001, Karnataka, India
Ph.: +91-80-2232 0001, 2232 0475, Fax: +91-80-2232 0758
Email: cosec@hal-india.co.in
CIN: L35301KA1963G01001622
Dear Sir,

Re: ICRA rating for Rs. 2,500 crore Commercial Paper (CP) programme of Hindustan Aeronautics Limited (HAL)

Please refer to your request dated September 1, 2020 for revalidating the rating letter issued for the captioned programme.

We confirm that the [ICRA]A1+ (pronounced as ICRA A one plus) rating assigned to your captioned programme and last communicated to you vide our letters - Ref: ICRA: BLR: 2019-20/RT/412 and Ref: ICRA: BLR: 2019-20/RT/605 dated December 09, 2019 and March 6, 2020 respectively stands. Instruments with [ICRA]A1+ rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Within this category rating modifier ("+" (plus)) can be used with the rating symbols. The modifier reflects the comparative standing within the category.

Additionally, we wish to highlight the following with respect to the rating: (a) If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter, the rating would need to be revalidated before issuance;

(b) Subject to Clause (c) below, our rating is valid from the date of this letter till March 5, 2021 ("Validity Period"). The rating will generally be due for review at the end of the Validity Period. The maturity date of the CP shall not be after the end of the Validity Period. The CP will have a maximum maturity of twelve months.

(c) Notwithstanding any thing contain in clause (b) above, ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such circumstances, which ICRA believes, may have an impact on the aforesaid rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the CP issued by you. The rating is restricted to your CP Programme size of Rs. 2,500 crore only.

In case, you propose to enhance the size of CP Programme, the same would be required to be rated afresh. ICRA does not assume any responsibility on its part, for any liability, that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of CP.

You are requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing. You are also requested to keep us forthwith informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s).

Further, you are requested to us inform immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority (ies) is exceeded.
We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

For ICRA Limited
Dear Sir,

Credit rating for Commercial Paper (CP) issue aggregating Rs. 2500 crore\(^1\)

Please refer to our letter no. CARE/BRO/RL/2020-21 dated June 30, 2020 and your request for revalidation of the rating assigned to the CP issue of your company, for a limit of Rs. 2500 crore, with a maturity not exceeding one year.

2. The following rating(s) have been reviewed:

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Amount (Rs. crore)</th>
<th>Rating(^2)</th>
<th>Rating Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Paper (CP) issue*@</td>
<td>2500 (Rs. Two thousand five hundred crore only)</td>
<td>CARE A1+ (A One Plus)</td>
<td>Reaffirmed</td>
</tr>
</tbody>
</table>

*carved out of the sanctioned working capital limits of the company.

@O/s of Rs. 2000 crore as on August 31, 2020

3. Please arrange to get the rating revalidated in case the issue is not made within two months from the date of this letter i.e. by November 3, 2020. Once the CP is placed, the rating is valid for the tenure of such instrument till redemption.

4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

<table>
<thead>
<tr>
<th>Instrument type</th>
<th>ISIN</th>
<th>Issue Size (Rs. cr.)</th>
<th>Coupon Rate</th>
<th>Coupon Payment Dates</th>
<th>Terms of Redemption</th>
<th>Redemption date</th>
<th>Name and contact details of Trustee/IPA</th>
<th>Details of top 10 investors</th>
</tr>
</thead>
</table>

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\(^1\) This represents the aggregate of all CP issuances of the company outstanding at any point in time.

\(^2\) Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

CARE Ratings Ltd.

CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
Tel.: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457
Email: care@careratings.com • www.careratings.com

CIN-L67190MH1993PLC071691
5. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

6. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by “ISSUER NOT COOPERATING”. CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

7. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

9. CARE ratings are not recommendations to buy, sell, or hold any securities.
If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

[Himanshu Jain]  
Manager  
Himanshu.jain@careratings.com

[Karthik Raj K]  
Associate Director  
Karthik.raj@careratings.com

Encl.: As above

CARE Ratings Ltd.
Unit No. 205-208, 2nd Floor, Prestige Meridian 1, No. 29, M. G. Road, Bengaluru, Karnataka - 560001  
Tel: +91-80-46625555
Disclaimer
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