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Hindustan Aeronautics

03 Nov 2026

Hindustan Aeronautics – Fundamental View

Strong Order Pipeline and Manufacturing Ramp-Up Support Growth Outlook

Last Day Close	3-Month TP	Rating
Rs. 4,855	**Rs. 5,750**	**BUY**

Hindustan Aeronautics Limited (HAL), a Government of India (GoI)-majority-owned company, manufactures and services aircraft, helicopters, and related systems for military and civil markets. HAL's primary customers are the Indian Defense Forces comprising the Indian Air Force, Indian Army, Indian Navy, along with the Indian Coast Guard**. FY26 turnover mix:** repair and maintenance of aircraft, helicopters and engines, 65%; manufacture of aircraft and helicopters, 30%. Exports contributed 1.58% of turnover.

Key Investment Rationale:

- **Robust Order Book Providing Long-Term Revenue Visibility:** HAL's order book stood at Rs. Rs. 2,54,538 Cr as of March 2026, compared with 1,89,302 Cr at the beginning of FY26, equivalent to approximately 8x FY26 turnover. The company secured fresh orders worth Rs. 97,028 crore during FY26, including manufacturing orders of Rs. 69,668 crore and ROH orders of Rs. 26,539 crore. Key orders included 97 LCA Mk1A aircraft, six ALH MkIII MR helicopters and eight Do-228 aircraft for the armed forces, alongside ten Dhruv NG helicopters for Pawan Hans. Management expects additional orders worth approximately Rs. 90,000 crore, including ROH, over the following two years. The pipeline includes 143 ALH helicopters for the Army, Su-30 upgrades for the IAF and upgrades of 40 Do-228 aircraft, subject to approvals and contract finalisation.
- **Manufacturing Revenue Revival Driven by LCA Mk1A and HTT-40:** Manufacturing revenue increased from Rs. 7,957 crore in FY25 to Rs. 9,227 crore in FY26, supported by deliveries of ALH helicopters and AL-31FP and RD-33 engines. The commencement of LCA Mk1A and HTT-40 deliveries is expected to accelerate manufacturing revenue growth, with management identifying these programmes as key contributors to FY27 growth. HAL has established capacity for eight LCA Mk1A aircraft annually at its Nashik production line, with additional production infrastructure being developed across its facilities.
- **Recurring ROH Business:** Repair, overhaul and maintenance services accounted for approximately 65% of FY26 turnover, with management reporting ROH revenue of Rs. 20,524 crore. This business benefits from continued maintenance, spares and upgrade requirements across the existing defence fleet, providing a recurring revenue base alongside new-platform manufacturing. The ROH business is expected to remain an important contributor to revenue visibility, while the increasing share of manufacturing could alter the overall margin mix as production ramps up.
- **Capacity Expansion and Diversification into Future Aerospace Programmes:** HAL incurred capex of approximately Rs. 2,386 crore and R&D expenditure of Rs. 2,794 crore in FY26. Management plans to invest around Rs. 12,000 crore by 2030 in infrastructure supporting LCA MkII, GE 414 engines, IMRH engines, SSLV manufacturing and indigenous aero-engine programmes. Longer-term opportunities include the Safran agreement for manufacturing rotating parts for LEAP civil aircraft engines (which power the single-aisle civil aircraft such as Airbus A320neo, Boeing 737 MAX, etc.), the SSLV technology-transfer agreement with ISRO, IN-SPACe and NSIL, and the proposed domestic production of SJ-100 commuter aircraft. These initiatives could broaden HAL's manufacturing capabilities and revenue opportunities over time, although their earnings contribution will depend on execution and commercialisation.
- **Financial Performance**: HAL's revenue from operations grew by 6.8% YoY in FY26, while EBITDA increased by 10.7% and PAT rose by 9.1%. Consensus estimates project a 16% revenue CAGR and a 13% EPS CAGR over FY26–FY28E.

Rs Cr	FY24	FY25	FY26	FY27E	FY28E
Revenue	30,381	30,981	33,089	37,524	44,678
Growth y/y	12.8%	2.0%	6.8%	13.4%	19.1%
EBITDA Margin %	29.8%	31.2%	29.6%	29.2%	29.0%
Net Income Margin %	25.1%	27.0%	27.5%	26.5%	25.9%
EPS (Rs)	114.1	125.3	136.4	150.0	172.9
Growth y/y	22.2%	9.8%	8.8%	10.0%	15.3%
EV/EBITDA	-	-	-	25.4	21.5
PE	-	-	-	32.3	28.0

03 Nov 2026

Industry	Aerospace & Defense

Key Stock Data

Bloomberg	HNAL IN
Shares o/s Nos. (In Cr)	66.9
Market Cap (Rs. Cr)	3,24,222
52 wk High-Low	5,150/3479
3m ADV (Rs. Cr)	466.8
Index	NIFTY 500
F&O	N

Latest Shareholding (%)

	Sep 26	Jun 26	Mar 25
Promoters	71.6	71.6	71.6
Institutions	21.9	21.3	20.6
Public	6.4	7.0	7.7
Others	0.1	0.1	0.1

Stock Performance (%)

	1M	6M	12M
HNAL IN	5.6	8.4	5.3
Nifty 500	2.1	1.7	(5.8)

RESEARCH ANALYST

Aditya Ashwin Paul

aditya.a@sparkcapital.in

Source: Company reports, Bloomberg, Spark PWM Pvt Ltd
3-Month TP: 3-Month Target Price
** - EPS from Continuing Operations*

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Hindustan Aeronautics – Technical View

The stock is forming the right side of its cup-with-handle base.

Aerospace & Defense	Reco/View	Last Day Close	Buy Range	3-Month TP	Potential Upside	Stop loss on a closing basis
	Buy	**Rs. 4,855**	**Rs. 4,840 – 5,050**	**Rs. 5,750**	**16%**	**Rs. 4,450**

Technical View (Weekly)



Technical View

- The stock is forming the right side of its cup-with-handle base.
- It has retaken all its key moving averages (20/50/100-DMA) in the last few trading sessions.
- **Entry:** Initiate positions here (Rs. 4,840 – 5,050).
- **Support:** The 100-DMA (Rs. 4,700) is expected to act as support.

RESEARCH ANALYST

Aditya Ashwin Paul
aditya.a@sparkcapital.in

Viswanath AVR
viswanath.avr@sparkcapital.in

Source: Trading View, Spark PWM
3-Month TP: 3-Month Target Price

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Hindustan Aeronautics – Technical View

3-Year Price Chart



Source: TradingView

Abbreviation

Bn	Billion
CAGR	Compounded Annual Growth Rate
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
EV/EBITDA	Enterprise Value/ Earnings Before Interest, Tax, and Depreciation
Mn	Million
O/S	Outstanding Shares
P/E	Price/Earnings
Tn	Trillion

Disclaimer (1/2)

Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	**REDUCE**	Stock expected to provide returns of <5% – -10% over a 1-year horizon
ACCUMULATE	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	**SELL**	Stock expected to fall >10% over a 1-year horizon

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Spark PWM Private Limited. (Registered Office: No. 1, 3rd Floor, First Crescent Park Road, Gandhi Nagar, Adyar, Chennai 600 020; CIN: U66190TN2012PTC086696; Telephone No.: +91 44 69250000; Website: www.sparkcapital.in; Correspondence Address: Solitaire Corporate Park, Unit 1252 , Building No. 12, Andheri Kurla Road, Chakala, Andheri (East), Mumbai 400093; Telephone No: +91 22 62916700; SEBI Registration: (Stock Broker: INZ000285135; Portfolio Manager: INP200007274; Research Analyst: INH200008954; BSE RA Enlistment No- 5503; Investment Adviser: INA000021067; BSE IA Enlistment No. 2390; Depository Participant: IN-DP-757-2023); AMFI – Registered Mutual Fund Distributor: ARN 86685. APMI – Registered PMS Distributor (APRN00662). Compliance and Grievance Officer details: Mr. Anupam Mohaney: +91 22 62916700. RA Grievance Redressal Matrix & Research T & C

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Our Offices



Chennai

No. 1, 3rd Floor,
First Crescent Park Road,
Gandhi Nagar,
Adyar,
Chennai – 600 020



Mumbai

Unit – 301, 302, Windsor House,
2, Kolivery Village,
MMRDA Area, Kalina,
Santacruz East,
Mumbai – 400 098

11th floor, C Wing, ONE BKC,
Unit Nos. 1116,
Bandra Kurla Complex,
Bandra East,
Mumbai – 400 051



Delhi

No. 23, 1st Floor,
Community Centre,
Basant Lok,
Vasant Vihar,
New Delhi – 110 057



Bengaluru

No. 2, 3rd Floor,
Prestige
Emerald,
Lavelle Road,
Bengaluru – 560 001



Hyderabad

No. 25 & 42, 3rd Floor,
Lumbini Avenue,
Near Preston Prime Mall
Main Road, Gachibowli,
Hyderabad – 500 032



Pune

No. 7/352 1st Floor,
Elbee House,
Boat Club Road,
Sangamvadi,
Pune – 411 001



Ahmedabad

No. 409, 4th Floor,
Venus Amadeus,
Near Jodhpur Cross Road,
Satellite,
Ahmedabad – 380 015



Kolkata

No. 9A-1 & 9B-1,
9th Floor,
No. 95A,
Park Street,
Kolkata – 700 016



Kochi

No.1285 F1, Ground floor,
The Quadrant, MP Pylee Road,
Jawahar Nagar Avenue,
Kadavanthra P O,
Ernakulam – 682 020



Thiruvananthapuram

2nd Floor,
Mankulangara Tower,
Kuravankonam,
Pattom P.O.,
Trivandrum – 695 004



Lucknow

Unit No.6, 3rd Floor
Marigold Building,
Sapru Marg Shahnajaf Road,
Hazratfang,
Lucknow – 226 001



Kanpur

Unit No 205, 2nd Floor,
Imperial Square,
16/105,
MG Road,
Kanpur – 208 001



Spark Global PWM Private Limited
Unit number- GV-00-04-03-BC-24, Gate Village Building
04, Dubai International Financial Centre (DIFC), Dubai, UAE