

May 28, 2025

HLE Glascoat Limited: Change of limits

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Outstanding
Long Term - Fund based-Term Loan	186.92	141.47	[ICRA]A (Stable)
Long-Term - Fund based-Cash Credit	184.08	184.08	[ICRA]A (Stable)
Short-Term - Non-Fund Based – Letter of Credit & Bank Guarantee	107.00	107.00	[ICRA]A2+
Short-Term – Derivative Limits	2.00	2.00	[ICRA]A2+
Long-Term - Interchangeable - Cash Credit	(60.00)	(60.00)	[ICRA]A (Stable)
Long-Term/Short-Term – Unallocated	37.50	82.95	[ICRA]A (Stable)/ [ICRA]A2+
Total	517.50	517.50	

*Instrument details are provided in Annexure I

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, the liquidity position and rating sensitivities: [Click Here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of HLE Glascoat Limited and its subsidiaries. The list of the entities considered for consolidation is given in Annexure-2

About the company

HLE Glascoat Limited (HGL; formerly known as Swiss Glascoat Equipment Limited), incorporated in 1991, is a public limited Company listed on the Bombay Stock Exchange and the National Stock Exchange. The Company was originally promoted by Mr. Sudarshan Amin. Later, in October 2016, HLE Engineers Pvt. Ltd. (HLE) along with its promoters, Surat-based Patel Group, acquired the stake owned by the then existing promoters and received the balance equity infusion through warrants to achieve a stake of 50.25%. In December 2019, pursuant to the approval of the scheme of arrangement between HGL and HLE, the operating business of HLE was demerged into HGL effective from April 1, 2018. With the merger of HLE, the promoters of HLE acquired a 74.25% shareholding of HGL and the Company thus added the existing product portfolio of HLE, i.e, Agitated Nutsche Filters, Rotary Vacuum Paddle Dryers and other allied equipment and chemicals (chemical operations were discontinued in Q4 FY2021) at its manufacturing facility of Maroli, Gujarat, to its existing product umbrella.

Key financial indicators (Audited)

Consolidated	FY2023	FY2024	FY2025
Operating income	932.6	968.2	1,027.6
PAT	69.8	40.9	61.8
OPBDIT/OI	15.0%	12.4%	13.0%
PAT/OI	7.5%	4.2%	6.0%
Total outside liabilities/Tangible net worth (times)	1.7	1.4	1.3
Total debt/OPBDIT (times)	1.8	3.2	2.8
Interest coverage (times)	5.6	3.6	3.7

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current (FY2026)		Chronology of rating history for the past 3 years						
			May 28, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long-Term	184.08	[ICRA]A (Stable)	April 04, 2025	[ICRA]A (Stable)	-	-	Feb 06, 2024	[ICRA]A (Stable)	Nov 29, 2022	[ICRA]A (Stable)
Term Loan	Long-Term	141.47	[ICRA]A (Stable)	April 04, 2025	[ICRA]A (Stable)	-	-	Feb 06, 2024	[ICRA]A (Stable)	Nov 29, 2022	[ICRA]A (Stable)
Letter of Credit & Bank Guarantee	Short-Term	107.00	[ICRA]A2+	April 04, 2025	[ICRA]A2+	-	-	Feb 06, 2024	[ICRA]A2+	Nov 29, 2022	[ICRA]A2+
Derivative Limits	Short-Term	2.00	[ICRA]A2+	April 04, 2025	[ICRA]A2+	-	-	Feb 06, 2024	[ICRA]A2+	-	-
Unallocated Limits	Long-Term/Short-Term	82.95	[ICRA]A (Stable)/[ICRA]A2+	April 04, 2025	[ICRA]A (Stable)/[ICRA]A2+	-	-	-	-	-	-
Interchangeable – Cash Credit	Long-Term/Short-Term	(60.00)	[ICRA]A (Stable)	April 04, 2025	[ICRA]A (Stable)	-	-	Feb 06, 2024	[ICRA]A (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-Term- Fund Based - Cash Credit	Simple
Long-Term - Fund based - Term Loan	Simple
Short-Term - Non-fund based - Letter of Credit & Bank Guarantee	Very Simple
Short-Term - Derivative Limits	Very Simple

Long-Term/Short-Term – Unallocated Limits	Not Applicable
Long-Term – Interchangeable – Cash Credit	Very 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
NA	Long-Term- Fund Based - Cash Credit	NA	NA	NA	184.08	[ICRA]A (Stable)
NA	Long-Term - Fund based - Term Loan	FY2022- FY2025	~8.3%-11.5%	FY2026- FY2031	141.47	[ICRA]A (Stable)
NA	Short-Term - Non-fund based - Letter of Credit & Bank Guarantee	NA	NA	NA	107.00	[ICRA]A2+
NA	Short-Term - Derivative Limits	NA	NA	NA	2.00	[ICRA]A2+
NA	Long-Term/Short-Term – Unallocated Limits	NA	NA	NA	82.95	[ICRA]A (Stable)/[ICRA]A2+
NA	Long-Term – Interchangeable – Cash Credit	NA	NA	NA	(60.00)	[ICRA]A (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
HLE Glascoat Limited (HGL)	- (rated entity)	Full consolidation
Thaletec GmbH	100.00%	Full consolidation
Thaletec USA INC	100.00%	Full consolidation
Thaletec LLP (formerly known as Thaletec/ HL Equipments)	99.00%	Full consolidation
Kinam Engineering Industries*	35.56%	Full consolidation
Kinam Engineering Industries Private Limited#	35.56%	Full consolidation
Kinam Enterprise Private Limited^	0.50%	Full consolidation
Kinam Process Equipments Private Limited (wholly owned subsidiary of Kinam Enterprise Private Limited) ^	100%	Full consolidation

Source: audited result FY2025; * From Sep 26, 2023 till Nov 11, 2024; # Jan 01, 2024 onwards; ^ October 01, 2023 onwards

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