

August 19, 2026

## HLE Glascoat Limited: Update on Material Event

### Summary of rating action

| Instrument*                                                     | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating Outstanding             | Financial sector regulator# |
|-----------------------------------------------------------------|--------------------------------------|-------------------------------------|--------------------------------|-----------------------------|
| Long term - Fund based - Cash credit                            | 183.08                               | 183.08                              | [ICRA]A (Stable)               | RBI                         |
| Long term - Fund based - Term loan                              | 133.15                               | 133.15                              | [ICRA]A (Stable)               | RBI                         |
| Short term - Non-fund based – Letter of credit & bank guarantee | 112.00                               | 112.00                              | [ICRA]A2+                      | RBI                         |
| Short term – Derivative limits                                  | 2.00                                 | 2.00                                | [ICRA]A2+                      | RBI                         |
| Long term/Short term – Unallocated                              | 87.27                                | 87.27                               | [ICRA]A (Stable)/<br>[ICRA]A2+ | RBI                         |
| Long term - Interchangeable - Cash credit                       | (60.00)                              | (60.00)                             | [ICRA]A (Stable)               | RBI                         |
| <b>Total</b>                                                    | <b>517.50</b>                        | <b>517.50</b>                       |                                |                             |

\*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

#### Material Event

HLE Glascoat Limited announced its Q1 FY2027 financial results on August 10, 2026. The company reported operating income of Rs. 300.8 crore in Q1 FY2027 compared to Rs. 283.9 crore in Q1 FY2026, reflecting a modest growth of 5.9% YoY. However, profitability moderated, with OPBDITA declining ~44% YoY to Rs. 20.9 crore from Rs. 37.6 crore in the corresponding period of the previous year, resulting in a contraction in operating margins to 7.0% from 13.2%. Consequently, PAT declined to Rs. 2.1 crore in Q1 FY2027 from Rs. 17.9 crore in Q1 FY2026.

The subdued profitability during the quarter was largely attributable to deferment in dispatches (especially in the heat transfer equipment business) despite healthy production levels and a robust order book position. Revenue recognition in the company's businesses is linked to dispatches. Given the deferment in dispatches, a portion of the finished goods inventory remains pending during the quarter. The company's order book remained strong at around Rs. 750 crore as of July 2026, providing revenue visibility for the coming quarters. While the Glass-Lined Equipment segment continued to report healthy demand, the Heat Transfer Equipment/Kinam segment witnessed lower revenue recognition due to project deferments and delayed dispatches.

The company continues to undertake the planned Rs. 35-crore brownfield expansion for the Omeras business at the Silvassa facility, with commercial production expected by Q4 FY2027. The project is expected to strengthen the company's presence in the biogas and wastewater treatment segments.

## Impact of Material Event

ICRA notes the moderation in HLE Glasscoat Limited's profitability and coverage indicators in Q1 FY2027 amid lower-than-expected revenue recognition. Nevertheless, the company continues to maintain a healthy order book position and is undertaking the planned expansion of its Omeras business. ICRA has been engaging with the company to understand the business outlook and the impact of the same on its credit profile. ICRA will continue to monitor developments and assess the company's credit profile depending on the pace of order execution, recovery in profitability and debt reduction over the subsequent quarters.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, and Rating sensitivities. [Click here](#)

## Analytical approach

| Analytical approach             | Comments                                                                                                                                                                         |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a>                                                                                                                              |
| 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 II |

## About the company

Incorporated in 1992, HLE Glascoat Limited (HGL) is a diversified process equipment manufacturer catering to the pharmaceutical, specialty chemical, agrochemical, oil & gas, water infrastructure and other industrial sectors. The company strengthened its business profile through the merger of HLE Engineers in 2019 and the subsequent acquisitions of Thaletec (FY2022), Kinam (FY2024) and Omeras (FY2026). As of FY2026, HGL operates across four key segments — glass-lined equipment, filtration & drying equipment, heat transfer equipment and glass-fused-to-steel storage solutions — with manufacturing operations in India and Europe.

## Key financial indicators (audited)

| Consolidated                                         | FY2025  | FY2026  | Q1FY2027* |
|------------------------------------------------------|---------|---------|-----------|
| Operating income                                     | 1,027.6 | 1,353.0 | 300.8     |
| PAT                                                  | 61.8    | 56.6    | 2.1       |
| OPBDITA/OI                                           | 13.3%   | 10.6%   | 7.0%      |
| PAT/OI                                               | 6.0%    | 4.2%    | 0.7%      |
| Total outside liabilities/Tangible net worth (times) | 1.3     | 1.2     | -         |
| Total debt/OPBDITA (times)                           | 2.8     | 2.4     | -         |
| Interest coverage (times)                            | 3.5     | 3.9     | 2.5       |

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, \*Result

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

| Current (FY2027)                  |                        |                                   |                                    |                  |                                    | Chronology of rating history for the past 3 years |                                    |        |        |                 |                     |
|-----------------------------------|------------------------|-----------------------------------|------------------------------------|------------------|------------------------------------|---------------------------------------------------|------------------------------------|--------|--------|-----------------|---------------------|
| FY2027                            |                        |                                   |                                    |                  |                                    | FY2026                                            |                                    | FY2025 |        | FY2024          |                     |
| Instrument                        | Type                   | Amount<br>rated<br>(Rs.<br>crore) | Aug 19,<br>2026                    | Date             | Rating                             | Date                                              | Rating                             | Date   | Rating | Date            | Rating              |
| Cash credit                       | Long term              | 183.08                            | [ICRA]A<br>(Stable)                | July 17,<br>2026 | [ICRA]A<br>(Stable)                | April 04,<br>2025                                 | [ICRA]A<br>(Stable)                | -      | -      | Feb 06,<br>2024 | [ICRA]A<br>(Stable) |
|                                   |                        |                                   |                                    |                  |                                    | May 28,<br>2025                                   | [ICRA]A<br>(Stable)                |        |        |                 |                     |
| Term loan                         | Long term              | 133.15                            | [ICRA]A<br>(Stable)                | July 17,<br>2026 | [ICRA]A<br>(Stable)                | April 04,<br>2025                                 | [ICRA]A<br>(Stable)                | -      | -      | Feb 06,<br>2024 | [ICRA]A<br>(Stable) |
|                                   |                        |                                   |                                    |                  |                                    | May 28,<br>2025                                   | [ICRA]A<br>(Stable)                |        |        |                 |                     |
| Letter of credit & bank guarantee | Short term             | 112.00                            | [ICRA]A2+                          | July 17,<br>2026 | [ICRA]A2+                          | April 04,<br>2025                                 | [ICRA]A2+                          | -      | -      | Feb 06,<br>2024 | [ICRA]A2+           |
|                                   |                        |                                   |                                    |                  |                                    | May 28,<br>2025                                   | [ICRA]A2+                          |        |        |                 |                     |
| Derivative limits                 | Short term             | 2.00                              | [ICRA]A2+                          | July 17,<br>2026 | [ICRA]A2+                          | April 04,<br>2025 /                               | [ICRA]A2+                          | -      | -      | Feb 06,<br>2024 | [ICRA]A2+           |
|                                   |                        |                                   |                                    |                  |                                    | May 28,<br>2025                                   | [ICRA]A2+                          |        |        |                 |                     |
| Unallocated limits                | Long term / Short term | 87.27                             | [ICRA]A<br>(Stable) /<br>[ICRA]A2+ | July 17,<br>2026 | [ICRA]A<br>(Stable) /<br>[ICRA]A2+ | April 04,<br>2025 /                               | [ICRA]A<br>(Stable) /<br>[ICRA]A2+ | -      | -      | -               | -                   |
|                                   |                        |                                   |                                    |                  |                                    | May 28,<br>2025                                   | [ICRA]A<br>(Stable) /<br>[ICRA]A2+ |        |        |                 |                     |
| Interchangeable – Cash credit     | Long term / Short term | (60.00)                           | [ICRA]A<br>(Stable)                | July 17,<br>2026 | [ICRA]A<br>(Stable)                | April 04,<br>2025 /                               | [ICRA]A<br>(Stable)                | -      | -      | Feb 06,<br>2024 | [ICRA]A<br>(Stable) |
|                                   |                        |                                   |                                    |                  |                                    | May 28,<br>2025                                   | [ICRA]A<br>(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 | Simple               |
| Short term - Derivative limits                                  | Simple               |

|                                           |                |
|-------------------------------------------|----------------|
| Long term/Short term – Unallocated limits | Not Applicable |
| Long term – Interchangeable – Cash credit | 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   | Long term - Fund based - Cash credit                            | NA               | NA          | NA            | 183.08                   | [ICRA]A (Stable)           | RBI                         |
| NA   | Long term - Fund based - Term loan                              | FY2022-FY2025    | ~8.3%-11.5% | FY2026-FY2031 | 133.15                   | [ICRA]A (Stable)           | RBI                         |
| NA   | Short term - Non-fund based - Letter of credit & Bank guarantee | NA               | NA          | NA            | 112.00                   | [ICRA]A2+                  | RBI                         |
| NA   | Short term - Derivative limits                                  | NA               | NA          | NA            | 2.00                     | [ICRA]A2+                  | RBI                         |
| NA   | Long term/Short term – Unallocated limits                       | NA               | NA          | NA            | 87.27                    | [ICRA]A (Stable)/[ICRA]A2+ | RBI                         |
| NA   | Long term – Interchangeable – Cash credit                       | NA               | NA          | NA            | (60.00)                  | [ICRA]A (Stable)           | RBI                         |

Source: Company

# 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.

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

## Annexure II: List of entities considered for consolidated analysis

| Company name                                                                                           | RBL ownership    | Consolidation approach |
|--------------------------------------------------------------------------------------------------------|------------------|------------------------|
| HLE Glasscot 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     |
| HLE International S.a.r.l                                                                              | 100.00%          | Full consolidation     |
| HLE Surface Technologies GmbH                                                                          | 100.00%          | Full consolidation     |
| Omerastore GmbH                                                                                        | 100.00%          | Full consolidation     |
| Kinam Engineering Industries Private Limited#                                                          | 35.56%           | Full consolidation     |
| Kinam Process Equipments Private Limited (wholly owned subsidiary of Kinam Enterprise Private Limited) | 100.00%          | Full consolidation     |

Source: Audited result FY2026

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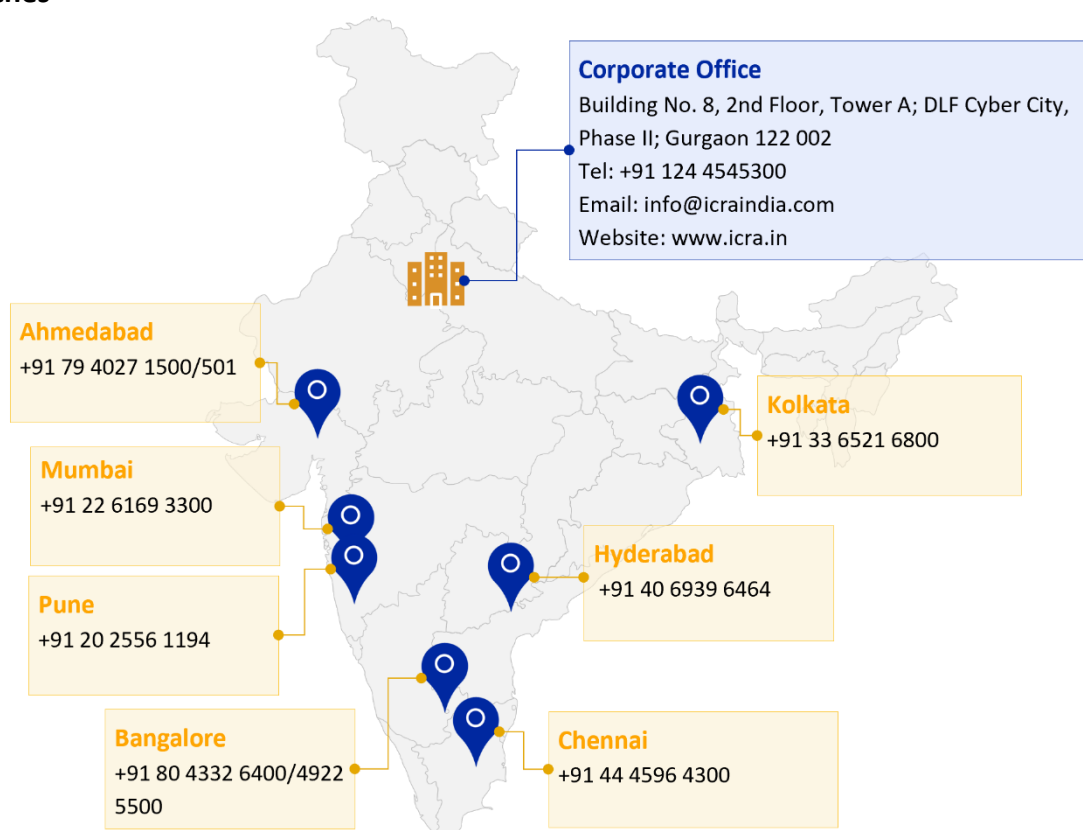
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