Date: July 17, 2026

To, The Manager (CRD) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	To, The Manager - Listing Department National Stock Exchange of India Ltd Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051
Scrip Code: 522215	**Symbol : HLEGLAS**

SUB: Intimation of Credit Ratings for Fund based and Non-fund based facilities

REF: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Part A of Para A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), this is to inform you that ICRA - the Credit Rating Agency, vide their letter dated July 17, 2026 (copy enclosed) have reaffirmed/assigned for enhanced amount, their ratings as under:

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-Term-Fund Based - Term loan	141.47	133.15	[ICRA]A (Stable); reaffirmed
Long-Term-Fund Based - Cash credit	184.08	183.08	[ICRA]A (Stable); reaffirmed
Short-Term - Non-Fund Based - Letter of credit & Bank guarantee	107.00	112.00	[ICRA]A2+; reaffirmed
Short Term - Derivative Limits	2.00	2.00	[ICRA]A2+; reaffirmed
Long-Term-Interchangeable Fund - Cash Credit	(60.00)	(60.00)	[ICRA]A (Stable); reaffirmed
Long-Term/Short-Term – Unallocated Limits	82.95	87.27	[ICRA]A (Stable)/ [ICRA]A2+; reaffirmed
Total	**817.50**	**517.50**	

Kindly take the above on records.

Thanking you.

Yours faithfully,
For HLE Glascoat Limited

THAKKAR ACHAL
Digitally signed by THAKKAR ACHAL
Date: 2026.07.17 22:02:15 +05'30'

ACHAL S. THAKKAR
Company Secretary &
Compliance Officer
Encl: As above

July 17, 2026

HLE Glascoat Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term - Fund based - Term loan	141.47	133.15	[ICRA]A (Stable); reaffirmed	RBI
Long term - Fund based - Cash credit	184.08	183.08	[ICRA]A (Stable); reaffirmed	RBI
Short term - Non-fund based – Letter of credit & bank guarantee	107.00	112.00	[ICRA]A2+; reaffirmed	RBI
Short term – Derivative limits	2.00	2.00	[ICRA]A2+; reaffirmed	RBI
Long term - Interchangeable - Cash credit	(60.00)	(60.00)	[ICRA]A (Stable); reaffirmed	RBI
Long term/Short term – Unallocated	82.95	87.27	[ICRA]A (Stable)/ [ICRA]A2+; reaffirmed	RBI
Total	**517.50**	**517.50**		

**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

The reaffirmation of the ratings continues to favourably factor in HLE Glascoat Limited's (HGL) established market position across the glass-lined equipment (GLE), filtration and drying (F&D), heat transfer equipment and process equipment segments, supported by its strong engineering capabilities, diversified product portfolio and long operating track record. Over the years, the company has significantly strengthened its business profile through a series of acquisitions, including Thaletec GmbH (Germany) in FY2022, Kinam Engineering Industries in FY2024 and Omeras Germany in FY2026, which have expanded its technological capabilities, product offerings and geographical reach. The acquisitions have enabled diversification into adjacent product categories such as heat transfer equipment, storage tanks, silos, biogas digesters and water infrastructure applications, while also increasing the exposure to international markets.

The company reported strong revenue growth in FY2026, with the consolidated operating income increasing ~32% YoY to Rs. 1,353 crore from Rs. 1,028 crore in FY2025, supported by full-year contribution from Kinam, first-time consolidation of Omeras and healthy growth across the core GLE and F&D businesses. The company's order book remained healthy at around Rs. 682 crore as on March 31, 2026, providing adequate revenue visibility over the near term. The management also indicated continued healthy order inflows from the pharma, specialty chemicals, oil & gas, water treatment and biogas-related sectors, which are expected to support growth in FY2027.

The ratings also derive comfort from the company's diversified customer profile, a strong market position in the domestic GLE and F&D segments, and its ability to benefit from cross-selling opportunities across acquired businesses. Kinam has strengthened HGL's presence in the heat exchanger segment and provides access to new end-user industries such as oil & gas and petrochemicals, while Omeras has brought in exposure to water storage, renewable energy and infrastructure-related opportunities. Further, the company continues to possess adequate manufacturing flexibility with facilities across Anand, Maroli and Silvassa in India, besides the Thaletec facility in Germany, providing sufficient scope for future capacity augmentation.

The ratings also factor in the company's comfortable capital structure, which was further supported by the total debt reducing to around Rs. 348 crore as on March 31, 2026 from Rs. 381 crore a year earlier and the gearing improving to 0.56 times. The company's profitability moderated in FY2026, with the consolidated EBITDA margin declining to around 10.3% from 13.0% in FY2025, primarily due to losses in the recently acquired Omeras business, one-time integration and labour code-related costs, and pressure on the margins in the domestic GLE segment. Consequently, the debt protection metrics, while remaining comfortable, were impacted by the decline in profitability. However, the coverage indicators improved during FY2026, with the interest coverage increasing to 4.1 times from 3.7 times in FY2025 and the total debt/OPBDITA improving to 2.5 times from 2.8 times. Going forward, the profitability is expected to improve gradually, supported by recovery in demand, scale-up and turnaround of Omeras, healthy growth in Kinam and better absorption of fixed overheads, which is expected to strengthen the company's debt protection metrics further.

The ratings, however, remain constrained by the company's working-capital-intensive operations arising from the inventory requirements associated with long manufacturing cycles and use of specialised raw materials. Although the working capital intensity improved materially with the NWC/OI reducing to 21% in FY2026 from 28% in FY2025, the receivables remain susceptible to elongated credit periods from large customers. The ratings are also constrained by the company's exposure to the cyclicality in end-user industries such as chemicals and agrochemicals, competitive pressures in certain product categories and execution risks associated with the scaling up of the recently acquired Omeras business. Further, while diversification has strengthened the company's business profile, a successful integration and stability in the profitability of acquired businesses will remain the key monitorables.

Going forward, ICRA expects the company's revenue growth to remain supported by its healthy order book, improving demand from pharmaceutical and specialty chemical customers, increasing opportunities in oil & gas through Kinam and the gradual ramp-up of the Omeras business. The company's ability to sustain growth while improving the profitability, maintaining prudent leverage and successfully integrating its acquired businesses will remain the important rating sensitivities.

The Stable outlook on the [ICRA]A rating reflects ICRA's opinion that HGL will continue to benefit from its established position in the glass-lined, filtration and drying equipment industry and comfortable order book position, while maintaining its credit risk profile.

Key rating drivers and their description

Credit strengths

Established market position supported by technological capabilities and acquisition-led diversification - HGL enjoys a strong position in the domestic process equipment industry, particularly in the GLE and F&D segments, supported by its long operating track record, technological capabilities and established customer relationships. Over the years, the company has significantly strengthened its business profile through strategic acquisitions. The acquisition of Thaletec GmbH in Germany enhanced its global presence in premium glass-lined equipment, while the acquisition of Kinam Engineering enabled entry into the heat transfer equipment segment and increased the exposure to the oil & gas, petrochemicals and industrial processing sectors. More recently, the acquisition of Omeras has diversified the company's product portfolio into glass-fused-to-steel storage tanks, silos, biogas digesters and water infrastructure solutions while expanding its geographical reach across Europe and West Asia.

As of FY2026, HGL operates through four key business verticals—GLE, F&D, heat transfer equipment and glass-fused-to-steel storage solutions—providing a diversified revenue profile and reducing dependence on any single end-user industry. The revenue diversification has also improved meaningfully with the scale-up of Kinam and the consolidation of Omeras, while the acquisitions continue to create cross-selling opportunities and strengthen the company's overall competitive position.

Reputed and diversified clientele base - The company's customer profile comprises reputed players in pharmaceutical (API & intermediaries), speciality chemicals, agrochemicals, dyes, pigments and the food processing industry. HGL'S established relationship with its major customers has ensured repeat business. Its customer profile is diversified, with the top 10 customers in the GLE segment accounting for around ~18% of the total segmental revenue and the top 10 customers in the F&D segment accounting for ~69% of the segmental revenue, in FY2026.

Comfortable capital structure - Despite undertaking strategic acquisitions such as Kinam and Omeras, the company maintained a comfortable gearing of 0.56 times as on March 31, 2026 (0.69 times as on March 31, 2025), supported by growth in net worth and debt reduction.

Credit challenges

Working capital intensive operations - The company's operations remain inherently working-capital intensive owing to long manufacturing lead times, inventory stocking requirements for specialised raw materials and the customised nature of the equipment manufactured across the GLE, F&D and heat transfer equipment businesses. However, the working capital profile improved materially in FY2026, with NWC/OI declining to 21% from 28% in FY2025 and 34% in FY2024, driven by inventory rationalisation and higher scale of operations. The inventory days improved to 125 days in FY2026 from 176 days in FY2025, although the inventory levels continue to be relatively high due to the need to maintain specialised steel and alloy inventories. The receivable days moderated significantly from the elevated levels witnessed during FY2023-FY2024, though they remain susceptible to elongated payment cycles from large customers. While creditor support is available through longstanding supplier relationships, the business is expected to remain structurally working-capital intensive despite the improvement witnessed in FY2026.

Profitability susceptible to input price fluctuations because of long production cycle; decline in profitability and coverage indicators - HGL's key raw materials include steel, alloy steel and various exotic metals used across its GLE, F&D and heat transfer equipment businesses. While the company remains exposed to the volatility in metal prices due to its relatively long manufacturing cycle and inventory holding requirements, the risk is mitigated to an extent through a timely procurement of key raw materials against the confirmed orders, inventory stocking of critical grades and its ability to pass on the cost increases for customised, high-value-added products. Profitability moderated in FY2026 due to Omeras-related losses and integration costs, which also led to some pressure on coverage indicators, though they remained comfortable.

Operations exposed to cyclicality and new capital investments in key end-user industries - The products manufactured by HGL cater majorly to pharmaceuticals, specialty chemicals and the agrochemical industries. The end-user industries remain capital-intensive and continue to invest in increasing their capacity to cater to the growing demand for their products. Hence, the company's operations remain exposed to the cyclicality in the end-user industries.

Environmental and social risks

Environmental considerations - HLE Glascoat remains dependent on electricity and fuel for its manufacturing operations, particularly in the glass-lined equipment segment. The company has continued its focus on reducing its environmental footprint through greater adoption of renewable energy, energy-efficient manufacturing practices and resource conservation initiatives. In FY2026, the company continued to benefit from its investment in renewable energy sources, including its stake in Clean Max Anchorage (started in last quarter of FY2026) and long-term renewable power arrangements, while also undertaking measures such as increased use of gas-fired furnaces, energy-efficient equipment and water recycling. The company's manufacturing facilities remain compliant with the applicable environmental regulations and pollution control requirements. In addition, the acquisition of Omeras has expanded HGL's presence into segments such as water storage, wastewater management and biogas infrastructure, which are aligned with sustainability and circular economy themes. Nevertheless, a significant portion of HGL's customer base continues to operate in the chemicals, agrochemicals and pharmaceutical industries, exposing the company indirectly to tightening environmental regulations applicable to these sectors.

Social considerations – HGL's operations remain dependent on skilled manpower, engineering expertise and a strong supplier ecosystem. The company continues to invest in employee development, technical training, workplace safety and operational excellence across its manufacturing facilities in India and overseas subsidiaries. The acquisition-led expansion through

Thaletec, Kinam and Omeras has also broadened the company's technical capabilities and workforce base. Product quality, reliability and safety remain the key considerations, given the critical application of the company's equipment in pharmaceutical, chemical, water treatment and industrial processes. HGL's longstanding relationships with leading domestic and international customers, coupled with its strong engineering and R&D capabilities, support its ability to meet evolving customer requirements and mitigate product quality and operational risks. The diversification of the end-user industries and product offerings has further strengthened the resilience of its business model.

Liquidity position: Adequate

The company's liquidity position remains adequate, supported by healthy cash accruals, comfortable debt repayment obligations and available liquidity buffers. As on March 31, 2026, HGL had free cash balances of around Rs. 34.4 crore. Further, the working capital intensity improved significantly during FY2026 with NWC/OI declining to 21% from 28% in FY2025, although the company continues to rely on working capital borrowings to fund its operations. The company plans to incur Rs. 25–30 crore in the current fiscal towards the Omeras India facility over the near term, which is expected to be funded through a mix of internal accruals and debt. The liquidity is also supported by the company's comfortable capital structure, a healthy order book and an expected improvement in profitability and cash flows, going forward.

Rating sensitivities

Positive factors – ICRA could upgrade HGL's rating if the company demonstrates a significant growth in its revenues and profitability that would improve the debt metrics. Additionally, a moderation in the working capital intensity, leading to an improvement in liquidity, may also favour an upgrade.

Negative factors – Pressure on HGL's rating could arise if any significant decline in revenues or profitability results in lower-than-expected cash accruals, or if any stretch in the working capital cycle or a higher-than-expected debt-funded capex impacts the capital structure and liquidity profile. A specific credit metric for downgrade would be total debt/OPBDITA of more than 2.0 times on a sustained basis.

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 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
Operating income	1,027.6	1,353.0
PAT	61.8	56.6
OPBDIT/OI	13.0%	10.3%
PAT/OI	6.0%	4.2%
Total outside liabilities/Tangible net worth (times)	1.3	1.2
Total debt/OPBDIT (times)	2.8	2.4
Interest coverage (times)	3.5	3.9

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

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 (FY2027) July 17, 2026	FY2026 Date	FY2026 Rating	FY2025 Date	FY2025 Rating	FY2024 Date	FY2024 Rating
Cash credit	Long term	183.08	[ICRA]A (Stable)	April 04, 2025 May 28, 2025	[ICRA]A (Stable)	-	-	Feb 06, 2024	[ICRA]A (Stable)
Term loan	Long term	133.15	[ICRA]A (Stable)	April 04, 2025 May 28, 2025	[ICRA]A (Stable)	-	-	Feb 06, 2024	[ICRA]A (Stable)
Letter of credit & bank guarantee	Short term	112.00	[ICRA]A2+	April 04, 2025 May 28, 2025	[ICRA]A2+	-	-	Feb 06, 2024	[ICRA]A2+
Derivative limits	Short term	2.00	[ICRA]A2+	April 04, 2025 May 28, 2025	[ICRA]A2+	-	-	Feb 06, 2024	[ICRA]A2+
Unallocated limits	Long term/ Short term	87.27	[ICRA]A (Stable)/ [ICRA]A2+	April 04, 2025 May 28, 2025	[ICRA]A (Stable)/ [ICRA]A2+	-	-	-	-
Interchangeable – Cash credit	Long term/ Short term	(60.00)	[ICRA]A (Stable)	April 04, 2025 May 28, 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	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

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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
HLE International S.a.r.1	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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ABOUT ICRA LIMITED

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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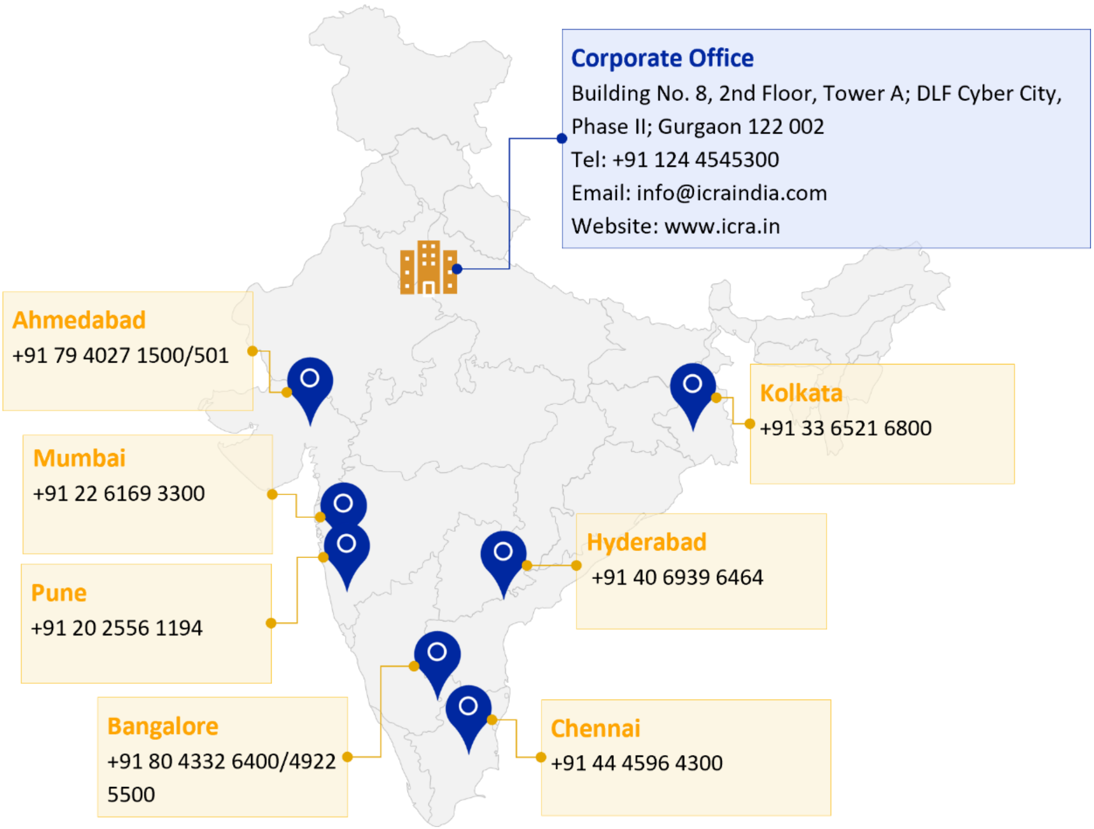

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