Haldyn Glass Limited

January 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	168.00 (Reduced from 178.25)	CARE A-; Stable	Reaffirmed
Short-term bank facilities	14.00	CARE A2	Reaffirmed
Short-term bank facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Haldyn Glass Limited (HGL) factors in ramp up in scale of operations with utilisation of the enhanced capacities marked by increase in revenue and profitability in FY25 (FY refers to April 1 to March 31) and H1FY26 (H1 refers to April 1 to September 30). Ratings continue to factor in promoters' vast experience, company's long track record of operations in the glass manufacturing business with HGL's in-house mould designing capability providing it flexibility in manufacturing glass bottles of different designs and sizes and long association with reputed clientele. Ratings continue to derive strength from healthy profit margin, comfortable capital structure, debt coverage indicators, and adequate liquidity position.

These rating strengths are tempered by the company's growing despite moderate scale of operations, susceptibility of profit margins to price fluctuations in raw materials prices, revenue concentration from liquor segment, and high working capital intensity. Ratings also remain constrained due to HGL's support towards its joint venture (JV).

CARE Ratings Limited (CareEdge Ratings) has withdrawn the rating(s) assigned to the short-term bank facilities (standby line of credit facility) with immediate effect, as the company has surrendered the said limit and there is no amount outstanding under the facility as on date.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in the scale of operations marked by total operating income (TOI) exceeding ₹500 crore led by increasing volumes on a sustained basis.
- Improvement in the profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin exceeding 16% on a sustained basis.
- Improvement in debt coverage indicators marked by total debt to PBILDT below 2x on a sustained basis.

Negative factors

- Substantially decrease in scale of operations with TOI below ₹250 crore on a sustained basis.
- Deterioration in debt coverage indicators marked by total debt to PBILDT exceeding 5x on a sustained basis.
- Elongation in working capital cycle beyond 100 days leading to deterioration in the liquidity.
- Additional sizeable investments in the JV exerting pressure on liquidity.

Analytical approach: Standalone

Outlook: Stable

A 'Stable' outlook reflects CareEdge Ratings' expectation that HGL will sustain its financial risk profile on back of growth in scale of operations and profitability near-to-medium term with utilisation of its enhanced capacity.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and long track record of company's operations

HGL is promoted by N. D. Shetty (the founder; Executive Chairman), having over five decades of experience in manufacturing glass containers. He and his son, T. N. Shetty (Managing Director), are actively involved in the company's day-to-day operations. Niraj Tipre, Chief Executive Officer (CEO), is an experienced professional, possessing rich experience in global operations

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

management, acquisition integration, and strategy development. He has over two decades of experience in premium glass container segments, and under his leadership and guidance, HGL has entered the premium segment both alcoholic and non-alcoholic (such as fast-moving consumer goods [FMCG], beverage, and among others), by adding new customers across domestic and export markets. The promoters are assisted by well-experienced professionals for managing the company's day-to-day operations.

In-house mould designing and manufacturing facility
HGL has a fully equipped mould manufacturing workshop to manufacture bottle moulds of all designs and shapes, and a labelling facility. Having in-house mould designing and manufacturing capability helps the company to manufacture bottles of different sizes and shapes for its clients ranging from 10 ml to 2,500 ml in volume.

Long association with reputed clientele
HGL's extensive experience in the glass manufacturing industry has enabled it to establish long-term relationships with prominent clients across key domestic sectors, including liquor, food, and non-alcoholic beverages. The company enjoys repeat business from major customers, positioning itself as a preferred supplier of glass containers. Post completion of its recent capex, HGL has added several new reputed clients in the domestic market, which has supported scale expansion, product diversification, and premiumisation within its portfolio. The customer profile remained concentrated as marked by contribution from the top 10 customers remained at ~64% of total sales in FY25, compared to 65% in FY24.

Successful capacity expansion and modernisation driving operational efficiency in FY25 and H1FY26
HGL has successfully completed the large capex implemented in the last two years at its factory in Vadodara through which it has enhanced the capacity with modernisation of furnace 3 and upgraded furnace 4 to produce premium glass containers for segments, such as premium liquor, food, candle jars, cosmetics, and perfumes. On the back of successful completion of said capex, the company has enhanced its production capacity from 350 TPD to 445 TPD, which enables the company to scale up its operational performance in FY25 and H1FY26 marked by increased utilisation of the production capacity upto 93% in FY25. This expansion not only supports higher volumes but also facilitates product premiumisation, strengthening HGL's competitive position and enabling it to cater to diverse customer requirements in both domestic and export markets.

Comfortable capital structure and debt coverage indicators
HGL's capital structure continued to remain comfortable, with overall gearing reaching at 0.73x as on March 31, 2025 (against 0.77x as on March 31, 2024). The debt profile of the company primarily comprised term loans and working capital facilities. The debt coverage indicators remained comfortable with total debt to gross cash accruals (TD/GCA) stood at 3.39x in FY25 (against 3.53x in FY24) and interest coverage moderated at 3.45x in FY25 (against 4.02x in FY24) due to increase in the interest cost incurred during the year. The interest coverage improved in H1FY25 and stood 4.85x. The capital structure and debt coverage indicators are expected to remain comfortable due to scheduled repayment of term loans, reducing the interest cost and no major debt-funded capex planned in the near-to-medium term.

Key weaknesses

Moderate despite growing scale of operations and profitability margins
HGL's overall scale of operations remained moderate and stood in the range of ₹178.32 crore to ₹382.69 crore in the last five years ended FY21 to FY25. TOI grew by 27% to ₹382.69 crore in FY25 from ₹300.16 crore in FY24, primarily due to increasing demand from existing as well new customers backed by successful completion and commencement of enhanced capacities from Q1FY25 onwards. The quantity sold increased by 42% to 111,347 MT in FY25 from 78,274 MT in FY24. PBILDT margin slightly improved to 14.38% from 13.89% in FY24 considering increase in the scale of operations resulted in better fixed cost absorption. However, PAT margin declined to 3.39% (6.25% in FY24) due to higher finance and depreciation costs with decline in non-operating income which mainly included profits from sale of assets.

In H1FY26, TOI registered y-o-y increase of 20.71% to ₹235.13 crore from ₹194.78 crore in H1FY25 on the back of increase in the orders from new customers added in the domestic and export markets post commissioning of capex. Nevertheless, PBILDT margin slightly moderated to 14.48% in H1FY26 from 15.06% in H1FY25. The company expects its revenue to increase in the near term on the back of increased production and revenue in H1FY26 and stable orders from the customers. However, the profit margins are expected to remain moderate due to global uncertainty in the export market primarily with the US.

Sector concentration risk, though expected to improve

The company continues to have a high dependence on the liquor sector, which currently contributes ~70% of total revenue, making it vulnerable to fluctuations in liquor demand. The remaining 30% comes from FMCG, food and beverage, and cosmetics segments. To mitigate this risk, the company aims to reduce liquor sector exposure to 50% over the next two years.

The company is also working on diversifying its revenue base by tapping exports market which accounted for 16% of revenue in FY25 and increased to 23% in H1FY26 (28% in FY24). Export markets include the US, Africa, Nepal, and Sri Lanka. While Furnace 4 was initially dedicated to premium glass production for the US market, the company currently leverages its JV capacity for fulfilling US orders as part of its strategic approach. However, U.S. tariffs on Indian imports remain a challenge and would remain a key credit monitorable. The strategic initiatives such as expanding product offerings beyond liquor and strengthening JV partnerships are expected to gradually reduce sector concentration and support sustainable revenue growth over the medium term.

Working capital intensive operations

The company's operations continued to remain working capital intensive, reflected in a gross current asset period of 165 days in FY25 (against 177 days in FY24) due to an extended collection and inventory cycle. With increased capacity of plants and higher order inflows, overall inventory level has increased during the year and increase in the finished goods at year end led by spillover of the orders, resulting in an inventory period increased from 47 days in FY24 to 69 days in FY25. However, the collection period improved to 68 days in FY25 from 81 days in FY24, aided by export sales that allow quicker payment realisation. Consequently, the operating cycle elongated to 89 days in FY25 (against 82 days in FY24).

Profit margins susceptible to key raw material price volatility

The profitability of glass bottle manufacturing in India is significantly influenced by fuel costs, which account for ~25% of total production expenses due to the energy-intensive nature of the process. Glass manufacturing requires continuous high temperature melting of raw materials such as silica sand, soda ash, and limestone, typically powered by natural gas, electricity, or other fuels. Considering the raw material prices remained volatile in the past with limited ability to pass on to its customers, the profit margins remain susceptible to raw material price fluctuation risk. To mitigate energy costs, the company is in the process investing in a 7-MW hybrid solar-wind project through a special purpose vehicle (SPV) in August 2025. The project will supply power at a 30% discount to prevailing market rates and expecting to meet ~80% of HGL's energy requirements. Hence, timely commissioning of the same leading reduction in the energy costs remain key monitorable.

Exposure to JV

To diversify its market presence, HGL entered a 50:50 JV with Heinz Glass International GmbH of Germany, named as Haldyn Heinz Fine Glass Private Limited (HHFPL) for manufacturing premium glass containers used in cosmetic and perfumes industry. HHFGL commenced its operations in October 2017, and as on March 31, 2025, has invested ₹41.75 crore in the form of equity. HHFPL has been reporting profitable operations and management does not envisage major fund infusion in FY26. However, sizable investment in the same remains key credit monitorable.

Liquidity: Adequate

Healthy cash accruals, moderate long-term debt repayment obligations and healthy free cash and bank balance represent HGL's adequate liquidity. The maximum utilisation of its fund-based working capital limits remained high at ~80% in the last 12 months ended October 2025. HGL had a cash and liquid investments of ₹17.24 crore as on March 31, 2025, which provides a cushion in case of exigencies and capex funding. The company's projected GCA are expected to remain sufficiently cushioned against a total debt servicing obligation in the range of ₹20 crore to ₹22 crore in medium term. The cash flow from operating activities stood positive of ₹35.52 crore in FY25 (against ₹57.27 crore in FY24). Current ratio stood at 1.15x as on March 31, 2025 (PY: 0.95x).

Environment, social, and governance (ESG) risks

Particulars	Company's initiative
Environment	The company has implemented several sustainability initiatives focused on energy and water conservation. Key measures include optimizing cooling processes by circulating cooling tower water and modifying water distribution lines, which reduced power consumption by stopping compressors and cooling fans. Additional steps such as installing advanced filters on compressors, replacing magnetic coils with efficient motors, and transitioning to LED lighting have further improved energy efficiency. The company has also integrated renewable energy into its operations, meeting 1.5 MW of its power requirement through green sources. Guided

	by its GHG consultant, HGL achieved a significant reduction of 9,734 metric tons of CO_2 emissions, alongside water conservation efforts that saved 60 KL through recycling initiatives.
Social	In FY25, in line with the quantum required by the Law, the company has spent ₹0.42 crore towards promoting healthcare as a part of CSR activities. To look after regular compliance, it has constituted CSR committee chaired by the Managing Director. It also has published CSR policy and projects approved by the Board on its website.
Governance	The strength of the Board is six Directors, of which, three are Independent Directors as on March 31, 2025. As mandated by the Act and Listing Regulations, the Company has constituted an Audit Committee, a Stakeholders Relationship Committee, Nomination and Remuneration Committee and a Corporate Social Responsibility Committee. The Corporate Governance Report addressing compliance aspects has been part of Annual Report for FY25.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Withdrawal Policy
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Glass - consumer

Incorporated in 1991, HGL (formerly known as Haldyn Glass Gujarat Limited) is involved in manufacturing and marketing glass bottles and glass-based containers. HGL is promoted by Haldyn Corporation limited (parent company) which holds 55.30% in HGL as at September 30, 2025. HGL's manufacturing plant is at Vadodara, Gujarat, with total melting capacity at 445 tons per day as on March 31, 2025 (increased from 350 tons per day) comprising two glass melting furnaces (285 + 160 tons per day capacity) and nine I.S. machines having for the furnace needed for manufacturing a wide range of containers from 10 ml to 2500 ml. The I.S. machines can produce ~1.5 million high-quality containers per day.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	300.16	382.69	235.13
PBILDT*	41.68	55.02	34.07
Profit after tax (PAT)	18.76	12.97	8.45
Overall gearing (x)	0.77	0.73	0.62
Interest coverage (x)	4.02	3.45	4.85

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	60.00	CARE A-; Stable
Fund-based - LT-Term Loan		-	-	March 2032	108.00	CARE A-; Stable
Non-fund-based - ST-BG/LC		-	-	-	14.00	CARE A2
Non-fund-based - ST-Standby Line of Credit		-	-	-	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	60.00	CARE A-; Stable	-	1)CARE A-; Stable (10-Jan-25) 2)CARE A-; Negative (02-Apr-24)	-	1)CARE A-; Negative (13-Feb-23) 2)CARE A-; Negative (07-Oct-22) 3)CARE A-; Stable (05-Apr-22)
2	Non-fund-based - ST-BG/LC	ST	14.00	CARE A2	-	1)CARE A2 (10-Jan-25) 2)CARE A2 (02-Apr-24)	-	1)CARE A2 (13-Feb-23) 2)CARE A2 (07-Oct-22) 3)CARE A2 (05-Apr-22)
3	Fund-based - LT-Term Loan	LT	108.00	CARE A-; Stable	-	1)CARE A-; Stable (10-Jan-25) 2)CARE A-; Negative (02-Apr-24)	-	1)CARE A-; Negative (13-Feb-23)
4	Non-fund-based - ST-Standby Line of Credit	ST	-	-	-	1)CARE A2 (10-Jan-25) 2)CARE A2 (02-Apr-24)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple
4	Non-fund-based - ST-Standby Line of Credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated: Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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