Qlar Technology India Private Limited (Revised)

February 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	195.00 (Enhanced from 175.00)	CARE BBB+; Stable / CARE A2	Downgraded from CARE A-; Stable / CARE A2+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

For arriving at the rating, CARE Ratings Limited (CareEdge Ratings) has combined the business and financial risk profiles of QLAR Technology India Private Limited (QTIPL) and QLAR India Private Limited (QIPL), considering its managerial, operational and financial linkages. Together they are referred as QLAR India Group (QIG). Both entities form the Indian operations of the German-based QLAR group (earlier known as Schenck Process Group).

Revision in ratings assigned to bank facilities of QTIPL factors in elevated cash outflows to the parent company in the form of charges for services availed. These charges increased to 13.27% of sales in FY25 from 8.91% in FY24. The higher cost burden, and certain one-time provisions, led to a sharp decline in profitability in FY25, which was significantly below CareEdge Ratings' expectations. CareEdge Ratings also takes cognisance of the continued dividend payouts by QTIPL despite moderation in profitability. Given that the holding company continues to incur losses and QIG remains one of the most profitable entities within the group, sustained increase in upstream support through higher expenses or cash outflows could adversely impact QIG's credit profile and will remain a key rating monitorable.

Notwithstanding financial support extended by QIG to the holding company, ratings continue to derive strength from QIG's operational linkages with its ultimate parent, QLAR Group, GmbH. These linkages include access to technological know-how and product patents, and use of the established 'QLAR' and 'Redler' brands in domestic and international markets. Such operational synergies have supported steady order inflows and contributed to a healthy revenue base for Indian operations over the years. Ratings also factor in QIG's established market presence in the capital goods engineering industry, its long-standing relationships with a diversified and reputed clientele base, and its satisfactory capital structure and coverage indicators, despite with some moderation observed in FY25.

These rating strengths are partially offset by the working capital intensive QTIPL's operations, arising from long gestation period of projects. This exposes QIG's operating performance to some volatility in input prices and to the cyclical nature of demand in end-user industries. CareEdge Ratings also takes note of the proposed change in ownership at the ultimate parent level, with Blackstone planning to divest its entire stake in QLAR Group, GmbH, and the proposed entry of Singapore-based Everstone Capital as the new investor. CareEdge Ratings does not expect material impact on Indian operations following the change in ownership, as these operations are largely self-sustaining and do not rely on financial support from the parent.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained increase in revenues while improving profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 14% on a sustained basis and total outside liabilities to tangible net worth (TOL/TNW) to below 0.75x.

Negative factors

- Increased cash outflows to parent company impacting its liquidity profile.
- Deterioration in TOL/TNW to over 1.25 or interest coverage ratio (ICR) below 4.5x.

Analytical approach: Combined

For arriving at ratings, CareEdge Ratings has combined the business and financial risk profiles of QTIPL and QIPL, considering its managerial, operational and financial linkages. (Details of entities combined is placed in Annexure - 6)

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

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectations that QIG shall continue to benefit from established brand presence of 'QLAR' and 'Redler' in domestic and international market, driving its revenue and profitability in the near term.

Detailed description of key rating drivers:

Key strengths

Part of Europe-based QLAR group with technological support from the ultimate parent

QIG acquired by QLAR Europe GmBH in 2006 (erstwhile, Schenck Process, Europe GmBH) specialises in manufacturing weighing, feeding, conveying, pulverising equipment and automation solutions for end-user industries. The group benefits from the technical support from its parent, which holds over 300 patents. This strong technical backing, and the group's established brand presence should continue to drive QIG's revenue growth and profitability in the medium term. As a consideration, QIG pays royalty and trademark charges to the parent, structured on lines of QIG's performance.

Satisfactory financial risk profile

QIG has a conservative debt structure marked by low reliance on external debt to support operations or meet capex requirements. Its debt is mainly bank guarantee backed interest-free customer advances resulting in comfortable overall gearing and TOL/TNW of 0.25x (FY24: 0.24x) and 0.88x (FY24: 0.82x), respectively, as on March 31, 2025. Though, the company has sanctioned working capital limits from its bankers, limit utilisation is very low. Due to fall in PBILDT margins, owing to certain one-time expenses and additional provisions, ICR saw a reduction to 5.98x (FY24: 17.88x), however, it continues to remain satisfactory as limit utilisations remain low.

Established brand presence catering to a reputed clientele base

QIG undertakes manufacturing engineered capital goods, and turnkey bulk material handling projects for diverse end-user industries such as power plants, infrastructure, marines and oil refineries, metals and mining, among others and sells its products under 'QLAR' and 'Redler' brands. Over two decades, the group has established relationships with renowned companies including NTPC Limited, Tata Steel Limited, JSW Steel Limited, Arcelor Mittal Nipon Steel Limited, TATA Projects and Megha Engineering Limited among others. The top 10 customers contributed ~19% to FY25's total operating income (reduced from ~27% in FY24). As on December 31, 2025, QIG had an orderbook of ₹441.73 crore to be executed in the next 12-18 months.

Key weaknesses

Significant upstreaming of funds to loss making parent company

QIG has continued to pay dividends to parent company since FY23 with increased payouts in FY25, leading to decline in net worth. In addition to dividends, QIG has also paid ~₹83 crore in FY25 to its parent company towards fees for services availed. On a consolidated basis, Qlar Group GmbH, Darmstadt reported net loss of €7.38 million in CY24 against €33.20 million in CY23. The continuous outflow of funds to parent company may lead to stretch in profitability and increase in dependence of QIG on external borrowings for its working capital and capex requirements in the medium term, unless there is material improvement in profitability.

Working capital intensive operations

QIG's operations remains working capital intensive due to lead time of 6-18 months required for the manufacture and execution of products and projects. Receivables are elongated due to long execution period of projects, milestone-based billing, elongated credit period of 90-100 days and the retention money requirement of ~10%, which is released post the defect liability period. Milestone-based billing and extensive trials and testing for technically critical products before the final acceptance result in high unbilled revenue. Consequently, average receivable days were 108 days, however, including unbilled revenue it stood at 214 days and gross cash asset (GCA) days were also at high 231 days as on FY25-end. Efficient management of working capital requirements while maintaining low dependence on external borrowings shall remain a key monitorable.

Susceptibility of operating performance to cyclical demand in end-user industries and tender-based business

The demand for the company's manufactured products and sustenance of operating performance is mainly linked with capex cycle of end-user industries, exposing QIG's scale to the investment plans of its customers. QIG undertakes manufacturing engineered capital goods under engineering, and turnkey bulk material handling projects by submitting bids for tenders floated by government or private entities. Hence, revenue and profitability depend on ability to bid successfully for tenders.

Profits vulnerable to raw material price volatility

The execution period of projects undertaken by QIG, usually ranges from 6-18 months. Thus, its profitability remains susceptible to fluctuations in input prices of steel, copper, iron, plate and welding wires, among others. Considering long gestation period and fixed price contracts, the company's ability to maintain its profitability shall remain a key monitorable.

Liquidity: Adequate

The group's liquidity position remained adequate with nil debt repayment obligation, negligible dependence on external debt for funding its working capital requirement and free cash and liquid investments of ₹73.15 crore as on November 30, 2025. Cash flow from operations remained positive at ₹75.71 crore in FY25 (FY24: ₹17.01 crore).

CareEdge Ratings takes note of consistent dividend payout by the group to its holding company since FY23, leading to lower accretion of profits to reserves. In FY25, the group paid ₹40 crore in dividend to its holding company, however due to lower profits in FY25, no dividend payouts are expected in FY26 per the management. Accumulation of surplus and controlled expenses to holding company to ensure liquidity cushion in need shall remain a key monitorable.

Applicable criteria

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Other industrial products

QTIPL

Incorporated in 2003, QTIPL, (formerly known as Stock Redler India Private Limited and Schenck Process Solutions India Private Limited) engaged in design and manufacturing / assembling weighing, feeding, conveying, material handling, pulverising equipment for different industries such as steel, cement, power, chemicals, petrochemicals and plastics. The company's manufacturing unit is in Peenya Industrial Area in Bangalore, Karnataka. QTIPL has also set-up another unit in the same area for in-house fabrication of certain parts required for manufacturing capital goods which commenced operations from June 2023. QTIPL is currently a subsidiary of QLAR Europe, GmBH and step-down subsidiary of QLAR Group, GmBH.

QIPL

QIPL was incorporated in 1996 and was formerly known as SCHENCK Jenson and Nicholson Limited and was part of the Jenson and Nicholson group. It became a part of QLAR Group in 2006 and got the name of Schenck Process India Private Limited. QIPL is engaged in designing and manufacturing load cells and weigh bridges for weighing, feeding, conveying, material handling, pulverizing equipment. The company's head office is in Bangalore and manufacturing unit is in Naurangpur, Gurugarm (Haryana). QIPL is currently a subsidiary of QLAR Europe, GmBH and step-down subsidiary of QLAR Group, GmBH.

Combined

Particular	March 31, 2024 (UA)	March 31, 2025 (UA)	December 31, 2025(UA)*
Total operating income	719.09	625.10	605.11
PBILDT	107.07	43.54	NA
PAT	80.16	28.02	NA
Overall gearing (times)	0.24	0.25	NA
Interest coverage (times)	17.88	5.98	NA

UA: Unaudited NA: Not Available; Note: these are latest available financial results

*Not adjusted for intercompany transactions.

Standalone - QTIPL

Particular	March 31, 2024 (A)	March 31, 2025 (A)	December 31, 2025(UA)
Total operating income	666.26	550.18	541.46
PBILDT	104.56	25.34	89.47
PAT	71.68	13.21	86.31
Overall gearing (times)	0.26	0.31	NA
Interest coverage (times)	12.74	2.70	NA

A: Audited UA: Unaudited NA: Not Available; 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: Not applicable

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Working Capital Limits		-	-	-	31.00	CARE BBB+; Stable / CARE A2
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	164.00	CARE BBB+; Stable / CARE A2

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	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	164.00	CARE BBB+; Stable / CARE A2	1)CARE A-; Stable / CARE A2+ (02-Apr-25)	-	-	-
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	31.00	CARE BBB+; Stable / CARE A2	1)CARE A-; Stable / CARE A2+ (02-Apr-25)	-	-	-

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/ ST-Working Capital Limits	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	QLAR India Private Limited	Full	Operational and financial linkages

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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About us:
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