

Fuso Glass India Private Limited

March 31, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	64.34 (Enhanced from 43.14)	CARE BBB; Stable	Reaffirmed
Short-term bank facilities	15.00	CARE A3+	Assigned
Short-term bank facilities	2.00	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Fuso Glass India Private Limited (Fuso) continue to derive comfort from the stable operational performance, experience of the promoters in the glass industry, and moderate leverage levels. However, ratings are constrained by supplier concentration risk, fragmented and competitive nature of the glass processing industry, the company's vulnerability to downturns in the real estate sector, and volatility in profitability margins.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely completion of the envisaged capex addition and scaling up of operations above ₹350 crores along with improvement in operating margins above 15%.
- Improvement in operating cycle to less than three months.

Negative factors

- Deterioration in the capital structure with overall gearing above 1.50x
- Deterioration in operating cycle to more than 150 days.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CARE Ratings) believes that the operations of the company will continue to remain stable in the medium term, deriving benefits from its experienced promoters in the glass processing industry.

Detailed description of the key rating drivers:

Key strengths

Sustained scale of operations

The company processes clear glass to meet tailored requirements, primarily for architectural applications, with a small portion of sales in the automotive sector. In FY24, the company began to diversify its revenue generation by entering contract manufacturing with an MNC (engaged in white goods production) for its refrigeration units.

The company maintained its scale at ₹227 crore in FY24 (PY: ₹230 crore) by increasing sales volume to 76.59 lakh mm in FY24 (PY: 72.90 lakh mm), despite a continued drop in realisation due to increased supply and expanded flat glass capacity in the domestic market. While the realisation further dropped in the current year, the company has sustained scale at ₹184 crore in 10MFY25. Due to moderate absorption in the newly added lines, the PBILDT margin slightly declined to 10.05% in FY24 (PY: 11.31%). However, margins recovered to 12.82% in 10MFY25 with improved capacity utilisation and favorable raw material price movements.

Experienced promoters

Fuso (formerly known as Mahaveer Safety Glass Private Limited) was established on November 12, 1999, with processing facilities in Chennai, Hyderabad, and Mumbai. Promoters, Champatlal Babulal Jain, Madanlal B Chowatia and Ashok Kumar have over two decades of experience in the glass processing industry and have established strong relationships with their customers. Fuso distributes processed glasses which find use as architectural glass in both commercial and residential real estate projects. Starting from FY24, Fuso has also begun supplying thin glass products that are used in refrigerators.

Completion of the capex

Fuso has completed capacity expansion for thinner glass products in Chennai in FY24 and for regular tempered glass products in Maharashtra in FY25 at a total cost of ~₹50 crore. This was funded by ₹32 crore in debt and the remainder from internal accruals. While the new production line in Chennai has already been commissioned, commissioning the new unit in Maharashtra has been delayed due to technical issues and is now preparing for commercial production in Q1FY26. Scaling up of operations with improved utilisation of the newly added capacity will be a key rating monitorable.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Key weaknesses

Moderate capital structure and debt protection metrics

The company's capital structure remains moderated with overall gearing at 1.06x as of March 31, 2024 (PY: 0.87x). Debt coverage indicators also stayed moderate with total debt to gross cash accruals (TD/GCA) of 5.48x (PY: 3.75x) and interest coverage ratio of 3.53x (PY: 4.68x) in FY24. Slight moderation in gearing and debt coverage indicators was primarily due to the debt funded capex undertaken in the previous years.

Supplier concentration risk

Raw material procurement accounts for 67% of the company's overall cost structure in FY24. The company procures most raw material from Sain Gobain except few being imported for special orders. Fuso has three units in Chennai, Mumbai, and Hyderabad and all the company's plants are strategically located close to Saint Gobain plants in their respective locations to gain logistical cost advantage. Fuso remains affiliated with Saint Gobain in the last two decades and frequently bids on contracts alongside Saint Gobain.

Fragmented nature of industry and high dependence on the cyclical construction sector

The glass processing sector is highly fragmented with organised and unorganised players. Being a mid-sized entity, Fuso is vulnerable to intense competition from other players in the industry. The company is also exposed to the risk of highly cyclical nature of the real estate sector as the demand for processed glasses tends to change in accordance with the situation of the real estate industry.

Liquidity: Adequate

The company has generated GCA of ₹15.29 crore in FY24 and as against debt repayment obligations of ~₹9 crore in FY25. The company's average working capital utilisation for 12-months ending January 2025 was 19.85%. The company has maintained an unencumbered cash and bank balance of ₹20.36 crore as on March 31, 2024.

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
Consumer discretionary	Consumer durables	Consumer durables	Glass - consumer

Incorporated in 1999, Fuso began commercial production in Chennai in 2004. The company specialises in processing float glasses to meet specific needs of end-customers. The company's day-to-day operations are managed by brothers Champatlal Babulal Jain, Madanlal B Chowatia and Ashok Kumar.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	January 31, 2025 (UA)
Total operating income	230.32	226.90	184.54
PBILDT	26.05	22.80	23.66
PAT	9.08	5.20	NA
Overall gearing (times)	0.87	1.06	NA
Interest coverage (times)	4.68	3.53	4.39

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

Status of non-cooperation with previous CRA: India Ratings has continued ratings assigned to bank facilities of Fuso to the 'issuer not-cooperating' category vide press release dated September 12, 2024, considering its inability to carryout review in the absence of requisite information from the company.

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 (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		-	-	-	28.00	CARE BBB; Stable
Fund-based - LT-Term Loan		-	-	30-06-2028	36.34	CARE BBB; Stable
Fund-based - ST-Working Capital Demand loan		-	-	-	15.00	CARE A3+
Non-fund-based - ST-Letter of credit		-	-	-	2.00	CARE A3+

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	36.34	CARE BBB; Stable	-	1)CARE BBB; Stable (15-Mar-24) 2)CARE BBB; Stable (06-Apr-23)	1)CARE BBB; Stable (25-May-22)	-
2	Fund-based - LT-Cash Credit	LT	28.00	CARE BBB; Stable	-	1)CARE BBB; Stable (15-Mar-24) 2)CARE BBB; Stable (06-Apr-23)	1)CARE BBB; Stable (25-May-22)	-
3	Non-fund-based - ST-Letter of credit	ST	2.00	CARE A3+	-	1)CARE A3+ (15-Mar-24) 2)CARE A3 (06-Apr-23)	1)CARE A3 (25-May-22)	-
4	Fund-based - ST-Working Capital Demand loan	ST	15.00	CARE A3+				

LT: Long term; ST: 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	Fund-based - ST-Working Capital Demand loan	Simple
4	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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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