Asahi India Glass Limited

July 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	2,769.12 (Enhanced from 2,404.80)	CARE A+; Stable	Reaffirmed
Long-term / Short-term bank facilities	85.00 (Reduced from 110.00)	CARE A+; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings assigned to bank facilities of Asahi India Glass Limited (AIS), reflecting its strong business risk profile anchored by a strong leadership position in both the automotive and float glass segments. Ratings continue to draw comfort from AIS' robust operating performance, backed by long-standing relationships with leading original equipment manufacturers (OEMs), a diversified product mix, and support from experienced and resourceful promoters—AGC Inc. and Maruti Suzuki India Limited (MSIL). AIS' credit profile also benefits from the operational and financial flexibility derived from the promoters' group, complemented by an adequate liquidity cushion through unutilised bank lines and available internal accruals. The company's healthy operational risk profile is supported by its dominant ~75% market share in the auto glass segment and established position in the float glass segment, notwithstanding a moderation in margins due to pricing pressure and rising imports in the float segment. CareEdge Ratings notes that stabilisation of prices and ramp-up of its recently commissioned float glass facility are expected to support margin recovery and cost efficiencies from FY26 onwards.

Despite undertaking a large-scale, primarily debt-funded capex in FY25, AIS has maintained a moderate financial risk profile with manageable leverage and comfortable coverage indicators. The new float plant is expected to strengthen the company's operational efficiency, improve localisation, and reduce dependency on imports. With additional debt coming up due to capex of the third float glass plant, the leverage indicators have moderated at FY25-end. However, anticipated cost savings from this project from FY26 onwards are likely to support profitability, leading to an expected improvement in both coverage and leverage indicators going forward. CareEdge Ratings notes that significant cost or time overrun in upcoming capex projects or material weakening of credit metrics due to a downturn in the end-user segments—particularly auto OEMs—remain key monitorable. Ratings are also constrained by exposure to volatility in fuel prices, foreign exchange fluctuations, and the inherent cyclicality of the automotive sector. AIS' strong promoter backing, established industry relationships, and continued demand visibility in core segments underpin a stable credit outlook.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Profitably increasing scale of operations from its current levels, while achieving cash accruals over ₹600 crore on a sustained basis.
- Total adjusted net debt (for all debt including contingent liabilities) to earnings before interest, tax, depreciation and amortisation (EBITDA) less than 2.5x on a sustained basis.

Negative factors

- Time and cost overrun in the planned capex, significantly impacting AIS' return on capital employed (ROCE).
- Total net debt/EBITDA over 3x on a sustained basis.

Analytical approach: Consolidated

CareEdge Ratings has consolidated the business and financial risk profiles of AIS and its subsidiaries (as given below in Annexure-6) as these are integral part of AIS' operations.

Outlook: Stable

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

CareEdge Ratings believes that AIS' credit risk profile will continue to benefit from its established market position and is likely to maintain its comfortable business and financial risk profiles in the medium term due to healthy demand prospects and its long-standing relationship with its customers.

Detailed description of key rating drivers:

Key strengths

Healthy operational and financial risk profile

AIS is the market leader with ~75% market share in the automotive glass segment (Indian passenger car glass segment) and 16% market share in the float glass segment In FY25, AIS registered a year-on-year improvement of 5.4% in total revenue from operations (FY25: ₹4,574.15 crore) driven by an increase in sales from the auto glass segment of 13.3% against the previous year. The company reported a degrowth in the sales of float glass by 12.1% considering fall in realisations (decline in volumes by 5%) due to bottomed out float glass prices. In FY25, profit before interest, lease rentals, depreciation and taxation (PBILDT) margin stood at 16.3% against 16.8% in the previous year; the slight dip in margins primarily because of the reduction in float margin from 17% in FY24 to 15% in FY25 caused by a continues surge in imports at low prices and addition to capacity by peers in India. However, EBIT margins remained at similar level for auto glass segment at ~12%. However, prices have largely stabilised as seen since the end of FY25 and the company's operational profile is expected to remain healthy in the medium term. In Q4FY25, total revenue from operations stood at ₹1,180 crore, a y-o-y growth of 6.7% and PBILDT margin stood at 16.6%.

The company's leverage indicators continue to remain moderate considering past capex activities. Phase I of Patan Plant of tempered glass production started in February 2021 and laminated glass started in April 2021. The company commissioned Phase-II of the Patan Plant in FY24, and Phase III of Patan Plant is expected to be commissioned in FY27. AIS has also set up a greenfield project for a third float glass plant, to be used mainly for internal consumption towards localisation of raw glass for auto and architectural processing where commercial operations started from March 25, 2025. The total capex done in FY25 was above ₹1350 crore where ₹900-1,000 crore is expense in FY25 for float glass, and remaining was for regular maintenance and growth capex for auto glass. This project was funded by a mix of debt and internal accruals. Roorkee plant, which started its operations in 2007, is shut down for maintenance and refurbishment started in May 2025. Overall gearing moderated as on March 31, 2025, at 1.06x against 0.97x in the previous year. The total debt to PBILDT increased to 3.62x in FY25 from 2.92x in FY24 and is likely to be ~2.9x in FY26. Interest coverage stood at 5.80x in FY25 against 5.40x in the previous year and total debt/gross cash accruals (GCA) at 4.52x (PY: 4.28x). Hence, as on March 31, 2025, debt was on peak and from FY26, leverage position is likely to improve with improved accruals and scheduled debt repayments.

Experienced and resourceful promoter group

AIS is promoted by BM Labroo and Associates (shareholding of 20.87%), AGC Inc. (shareholding of 22.21%), MSIL (shareholding of 11.11%) as on March 31, 2025. AGC Inc. is one of the leading manufacturers of glass globally with 12% global market share in the float glass segment and 30% global market share in the auto glass segment and provides technical support to AIS. Promoters have supported AIS in the past, when it was faced with liquidity stretch. AIS' operations are being managed by Sanjay Labroo (Chairman and Managing Director) who has dual degree in Finance and Management from Wharton School of Business and Finance, USA. He is a former Director of Central Board of Directors of the Reserve Bank of India (RBI). The AIS Board has representatives from AGC, MSIL and Mitsubishi Corporation (I) Private Limited, among other independent directors.

Long track record of operations and established market position in both auto and float glass segment

AIS started operations in March 1987, with a sole manufacturing facility for toughened glass products for automotive windshields at Bawal (Haryana), and over the years, AIS has enhanced its production facility by setting up more manufacturing facilities at Roorkee (Uttarakhand), Chennai (Tamil Nadu), Taloja (Maharashtra), Patan (Gujarat), and Soniayana (Rajasthan) and three sub-assembly units/ warehouses at Pune (Maharashtra), Bangalore (Karnataka), and Anantapur (Andhra Pradesh). Plants and sub-assemblies are strategically close to India's automotive glass manufacturing hubs. Over a period, AIS diversified its auto-glass product portfolio to include laminated windshields, tempered glass for side and backlite, defogger glass and solar control glass, among others. With high potential for growth in automotive segment, AIS expanded to the commercial vehicle segment, adding customers and products for "off highway" segments including tractors, earthmoving equipment and city trains, among others. Today, AIS is the market leader in India across automotive segments — from passenger cars and commercial vehicles to railways and earth-moving vehicles and has maintained good relationships with OEMs and currently has market share of 75% in auto glass. AIS entered the float glass segment after acquiring Floatglass India Limited with its manufacturing facility at Taloja (Maharashtra) in 2001. Over the years, AIS expanded to other manufacturing facilities at Roorkee (Uttarakhand) and Soniayana (Rajasthan) with enhanced production capacities for float glass. AIS' Float Glass units produce a wide range of value-added varieties of glass, such as heat reflective glass, heat absorbing glass, solar control glass, sunroof, encapsulated glass and laminated side light which has market share of 16% in the float glass industry.

Sustained relationship with OEMs

AIS supplies auto glass to all OEMs in the domestic market, including MSIL, Suzuki Motors, Hyundai Motors India Limited, Kia Motors, MG, Honda, Tata Motors Limited, Mahindra & Mahindra Limited, Toyota Kirloskar Motors Private Limited, Volkswagen India, Ford India, Skoda Auto and Fiat India, and has sustained healthy relationships throughout the years. MSIL is also a co-promoter of AIS with 11.11% equity stake and contributed for ~33% of automotive glass sales in FY25 (FY24: 34%).

Key weaknesses

Large capex requirement

Given the capital-intensive nature of the glass manufacturing industry, AIS remains exposed to project execution risks related to its upcoming capital expenditure plans. The company is undertaking a planned capex of ~₹350-400 crore in FY26–FY27 towards the cold repair and refurbishment of its Roorkee facility and the commissioning of Phase-III of the Patan plant. The capex is proposed to be funded through a judicious mix of internal accruals and fresh debt. While the projects are expected to enhance operational efficiency and support long-term profitability, significant time or cost overruns may adversely impact AIS' debt protection metrics and cash flow profile. Therefore, the timely execution of these projects within the envisaged cost framework, and the company's ability to derive the intended operational benefits, will remain key rating monitorable.

Exposure to foreign exchange fluctuation risk

AIS remains exposed to foreign exchange fluctuation risk owing to its dependence on imported raw materials, spares, and other consumables. As on March 31, 2025, the company's net foreign currency exposure stood at ₹614.28 crore, up from ₹413.47 crore in the previous year. While the foreign currency term loan has been fully repaid during the year, the company continues to import 30–35% of its auto glass raw material requirements, keeping a portion of its cost structure exposed to currency volatility. Although the commissioning of the F3 float glass plant is expected to reduce reliance on imports over time, AIS's exposure to forex movements remains a key rating sensitivity.

Volatility in fuel cost and susceptibility to inherent cyclicality in the auto industry

The glass industry is energy-intensive, with power and fuel costs forming a significant share of the overall cost structure. Volatility in these inputs can affect profitability, especially in the float glass segment where cost pass-through is market-dependent. Around 60–65% of AIS' revenue in FY25 was derived from the auto OEM segment, which is inherently cyclical and exposed to macroeconomic trends. Past disruptions such as the pandemic, semiconductor shortages, and economic slowdowns have impacted the auto industry, and consequently, AIS' performance remains sensitive to similar downturns in future.

Liquidity: Adequate

AIS' liquidity profile is adequate, supported by healthy cash flow generation, manageable repayment obligations, and sufficient headroom in working capital lines. The company generated GCA of ₹597 crore in FY25, which is expected to improve and remain in the ₹650–850 crore range over FY26–FY28. Against this, AIS has scheduled debt repayments of ₹366 crore in FY26 and ₹608 crore in FY27, which are expected to be comfortably met through internal accruals. The liquidity position is further supported by a cash and bank balance of ₹172 crore as on March 31, 2025. The company also benefits from moderate utilisation of working capital limits — the average utilisation of its ₹535 crore fund-based limits stood at ~30% over the 12 months ended April 2025 offering adequate buffer. AIS has access to unutilised unsecured credit lines, providing further financial flexibility. Historically, the company has demonstrated the ability to refinance debt in periods of elevated capex outflows, aided by promoter group support. Liquidity is also aided by prudent inventory management, despite the necessity to maintain higher stock levels to cater to OEMs' just-in-time schedules in the auto glass segment and to support a wide product mix in the float glass business.

Environment, social, and governance (ESG) risks

CareEdge Ratings believes the ESG profile of AIS supports the company's strong credit risk profile. AIS has continuously focused on mitigating its environmental and social impact.

Environmental: AIS continues to remain committed to all ESG goals. Some initiatives include replacing diesel forklifts with battery forklifts to reduce greenhouse gas emissions, improve air quality, and decrease noise pollution in the workplace; adapting new processes for low suction pressure in blowers to reduce power consumption and installing variable frequency drives (VFDs) to optimise motor speed and efficiency; converting low-efficiency motors to high-efficiency motors to enhance energy savings, reduce operational costs, and improve overall system performance; reducing leakage throughout the premises and other adoption of energy-efficient technology. AIS has signed a 20-year contract with Inox Air to supply 95 tonnes of green hydrogen annually for their new greenfield float glass facility in Chittorgarh, Rajasthan. AIS has also invested in a solar plant that will provide renewable energy for generating green hydrogen through the electrolysis process.

Social: Major focus areas are education, health, water and sanitation, women empowerment, livelihood development and disaster management with invests in knowledge, manpower resources and technologies to achieve to its ESG goals for itself and its supply chain.

Governance: The strength of the Board is nine Directors, out of which four are Independent Directors (including one Women Directors) and three are Non-Executive and Non-Independent Directors (including one Woman Director) as on March 31, 2025.

Applicable criteria

[Consolidation](#)
[Definition of Default](#)
[Factoring Linkages Parent Sub JV Group](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Manufacturing Companies](#)
[Financial Ratios – Non financial Sector](#)
[Auto Components & Equipments](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

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

AIS was formed in 1984 as a joint venture (JV) between the Labroo Family, Asahi Glass Co. Limited, and Maruti Suzuki India Limited. Initially, known as the Indian Auto Safety Glass Private Limited, the company changed its name to Asahi India Safety Glass limited (AIS) in 1985. It started operations with manufacturing toughened glass for MSIL. With the acquisition of Float Glass India Limited, it forayed into the construction glass business and changing its name to Asahi India Glass Limited in September 2002. As on March 31, 2025, promoters hold 54.19% stake in the company – BM Labroo and Associates (shareholding of 20.87%), AGC Inc. (22.21%), MSIL (11.11%) while the rest of 40.01% is with the public. AIS operates under two strategic business units (SBUs), namely, AIS Auto Glass (laminated and tempered glass) and Float Glass (Architectural Glass and Consumer Glass) and has expanded into 13 plants and 10 sub-assembly units-cum-warehouses for manufacturing various types of glasses across India.

Brief Financials (₹ crore) (Consolidated)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	4,018.76	4,351.11	4574.15
PBILDT	795.08	734.16	745.80
PAT	361.67	325.05	367.30
Overall gearing (times)	0.76	0.97	1.06
Interest coverage (times)	7.60	5.40	5.81

A: Audited Prov.: Provisional; Note: these are latest available financial results

Status of non-cooperation with previous CRA:
NA

Any other information:
NA

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-Working Capital Limits		-	-	-	545.00	CARE A+; Stable
Fund-based - LT-Working Capital Limits		-	-	-	415.00	CARE A+; Stable
Fund-based - LT-Working Capital Limits		-	-	-	225.00	CARE A+; Stable
Non-fund-based-LT/ST		-	-	-	85.00	CARE A+; Stable / CARE A1+
Term Loan-Long Term		-	-	31-03-2033	686.20	CARE A+; Stable
Term Loan-Long Term		-	-	31-03-2033	897.92	CARE A+; Stable

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	Term Loan-Long Term	LT	897.92	CARE A+; Stable	-	1)CARE A+; Stable (19-Sep-24) 2)CARE A+; Stable (30-Apr-24)	1)CARE A+; Stable (04-Oct-23)	1)CARE A+; Stable (23-Aug-22)
2	Fund-based - LT-Working Capital Limits	LT	545.00	CARE A+; Stable	-	1)CARE A+; Stable	1)CARE A+; Stable	1)CARE A+; Stable

						(19-Sep-24) 2)CARE A+; Stable (30-Apr-24)	(04-Oct-23)	(23-Aug-22)
3	Fund-based - LT-Working Capital Limits	LT	415.00	CARE A+; Stable	-	1)CARE A+; Stable (19-Sep-24) 2)CARE A+; Stable (30-Apr-24)	1)CARE A+; Stable (04-Oct-23)	1)CARE A+; Stable (23-Aug-22)
4	Non-fund-based-LT/ST	LT/ST	85.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (19-Sep-24) 2)CARE A+; Stable / CARE A1+ (30-Apr-24)	1)CARE A+; Stable / CARE A1+ (04-Oct-23)	1)CARE A+; Stable / CARE A1+ (23-Aug-22)
5	Term Loan-Long Term	LT	686.20	CARE A+; Stable	-	1)CARE A+; Stable (19-Sep-24) 2)CARE A+; Stable (30-Apr-24)	1)CARE A+; Stable (04-Oct-23)	1)CARE A+; Stable (23-Aug-22)
6	Fund-based - LT-Working Capital Limits	LT	225.00	CARE A+; Stable	-	1)CARE A+; Stable (19-Sep-24) 2)CARE A+; Stable (30-Apr-24)	1)CARE A+; Stable (04-Oct-23)	1)CARE A+; Stable (23-Aug-22)

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Working Capital Limits	Simple
2	Non-fund-based-LT/ST	Simple
3	Term Loan-Long Term	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	AIS Glass Solutions Limited	Full	Subsidiary
2	Integrated Glass Material Limited	Full	Wholly owned Subsidiary
3	Shield Auto Glass Limited	Full	Subsidiary
4	GX Glass Sales & Services Ltd.	Full	Subsidiary
5	AIS Distribution Services Limited	Full	Subsidiary
6	AIS Adhesives Limited	Full	Subsidiary

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:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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