Asahi India Glass Limited

January 12, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	2,666.28 (Reduced from 2,769.12)	CARE AA-; Stable	Upgraded from CARE A+; Stable
Long Term / Short Term Bank Facilities	85.00	CARE AA-; Stable / CARE A1+	LT rating upgraded from CARE A+; Stable and ST rating reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has upgraded the long-term rating of Asahi India Glass Limited (AIS), reflecting an improvement in the company's financial risk profile, characterised by the ₹1,000 crore equity infusion through a Qualified Institutional Placement (QIP), which has been utilised to reduce debt levels, and Post the equity infusion, the company's net leverage (net debt to PBILDT) has improved significantly and is expected to improve to below 2.2x by the end of fiscal year 2026, compared with 3.38x as on March 31, 2025. The leverage profile of AIS has improved after the QIP issue and is within the positive trigger levels articulated by CareEdge Ratings, thereby supporting the rating upgrade. Further, it is expected that the net debt to PBILDT shall remain at broadly similar levels over the medium term.

Ratings continue to factor in strong business risk profile anchored by a leadership position in both the automotive and float glass segments. Ratings further 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.

The new float plant is expected to strengthen the company's operational efficiency, improve localisation, and reduce dependency on imports. Further, anticipated cost savings from this project are likely to support profitability, leading to continued improvement in both coverage and leverage indicators going forward.

Going forward, any 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 ₹800 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 1.5x 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 2.7x on a sustained basis

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

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 and have strong financial and operational linkages.

Outlook: Stable

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 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 primarily by a 13.3% increase in sales from the auto glass segment. However, the company reported a 12.1% decline in float glass sales due to lower realisations, along with a 5% decline in volumes, reflecting bottomed-out float glass prices amid heightened imports and capacity additions by peers. Consequently, PBILDT margins moderated slightly to 16.3% in FY25 from 16.8% in the previous year, mainly due to a reduction in float glass margins from 17% in FY24 to 15% in FY25. Notably, EBIT margins in the auto glass segment remained stable at ~12%.

Prices have largely stabilised since the end of FY25, and the company's operational profile is expected to remain healthy over the medium term. This is reflected in H1FY26 performance, wherein total income from operations increased to ₹2,380.12 crore from ₹2,291.34 crore in H1FY25, with margins remaining stable at 16.23%. Going forward, supported by stabilisation in float glass prices and the commissioning of backward integration capex through the recently added float glass capacity, the company's revenue is expected to grow at 10–12% annually, while maintaining healthy and stable profitability margins in the range of 19–20%.

Improved financial profile post equity infusion
The company's leverage indicators remained moderate in FY25 despite elevated capex levels over the past few years. During the period, Phase I of the Patan plant for tempered and laminated glass commenced operations in February and April 2021, respectively, followed by the commissioning of Phase II in FY24, with Phase III expected to be commissioned in FY27. In addition, AIS commissioned a greenfield third float glass plant in Rajasthan in March 2025, primarily for internal consumption to support localisation of raw glass for automotive and architectural processing. Total capex undertaken in FY25 exceeded ₹1,350 crore, of which ₹900–1,000 crore was incurred towards the float glass project, with the balance relating to regular maintenance and growth capex for the auto glass business. These investments were funded through a mix of debt and internal accruals.

As a result, gearing moderated to 1.06x as on March 31, 2025 (FY24: 0.97x), while total debt to PBILDT increased to 3.62x from 2.92x in the previous year. However, interest coverage remained comfortable at 5.80x in FY25, and total debt to GCA stood at 4.52x. TOL/TNW is 1.59x as on FY25 (PY: 1.47x) and interest coverage is strong at 5.81x. With debt levels peaking as on March 31, 2025, the company's leverage position is now expected to improve from FY26 onwards, reflecting an improvement in its financial risk profile. This improvement is supported by a ₹1,000 crore equity infusion through a Qualified Institutional Placement (QIP), which has been utilised for debt reduction, along with the stabilisation and ramp-up of the recently commissioned float glass plant, which is expected to enhance operating efficiency through backward integration. Consequently, post the equity infusion, net debt to PBILDT is expected to moderate to below 2.2x by the end of FY26, compared with 3.38x as on March 31, 2025.

Experienced and resourceful promoter group
AIS is promoted by BM Labroo and Associates (shareholding of 19.81%), AGC Inc. (shareholding of 21.18%), MSIL (shareholding of 10.59%) as on September 30, 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 four sub-assembly units at Pune (Maharashtra), Bangalore (Karnataka), Anantapur (Andhra Pradesh) and Kharkhoda (Haryana) 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 passenger vehicle 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, 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 10.59% 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 ~₹1000 crore in FY26 and 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 (Soniyana, Rajasthan) 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: Strong

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–FY27 against schedule repayment of Rs 91.25 crore in Q4FY26 also total repayment is around Rs 387 crore for FY27. The liquidity position is further supported by a cash and bank balance of ₹172 crore as on March 31, 2025, and Rs 944.12 crore as on September 30, 2025, due to equity infusion. 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 September 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 September 30, 2025, promoters hold 51.58% stake in the company – BM Labroo and Associates (shareholding of 19.81%), AGC Inc. (21.18%), MSIL (10.59%) while the rest of 38.39% 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, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	4,351.11	4,574.51	2,380.23
PBILDT	734.16	745.80	380.45
Profit after tax (PAT)	325.05	367.30	113.26
Overall gearing (x)	0.97	1.15	0.77
Interest coverage (x)	5.40	5.81	NM

A: Audited UA: Unaudited NM: Not meaningful 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 AA-; Stable
Fund-based - LT-Working Capital Limits		-	-	-	415.00	CARE AA-; Stable
Fund-based - LT-Working Capital Limits		-	-	-	225.00	CARE AA-; Stable
Non-fund-based-LT/ST		-	-	-	85.00	CARE AA-; Stable / CARE A1+
Term Loan-Long Term		-	-	31-03-2033	598.40	CARE AA-; Stable
Term Loan-Long Term		-	-	31-03-2033	882.88	CARE AA-; 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	882.88	CARE AA-; Stable	1)CARE A+; Stable (08-Jul-25)	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 AA-; Stable	1)CARE A+; Stable (08-Jul-25)	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)
3	Fund-based - LT-Working Capital Limits	LT	415.00	CARE AA-; Stable	1)CARE A+; Stable (08-Jul-25)	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 AA-; Stable / CARE A1+	1)CARE A+; Stable / CARE A1+ (08-Jul-25)	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	598.40	CARE AA-; Stable	1)CARE A+; Stable (08-Jul-25)	1)CARE A+; Stable (19-Sep-24) 2)CARE A+; Stable	1)CARE A+; Stable (04-Oct-23)	1)CARE A+; Stable (23-Aug-22)

						(30-Apr-24)		
6	Fund-based - LT-Working Capital Limits	LT	225.00	CARE AA-; Stable	1)CARE A+; Stable (08-Jul-25)	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.

Contact Us

Media Contact	Analytical Contacts
Media Contact Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	**Analytical Contacts** Sabyasachi Majumdar Senior Director **CARE Ratings Limited** Phone: +91-12-0445 2006 E-mail: sabyasachi.majumdar@careedge.in Ravleen Sethi Director **CARE Ratings Limited** Phone: 91-120-4452016 E-mail: ravleen.sethi@careedge.in Sahil Goyal Assistant Director **CARE Ratings Limited** Phone: 91-120-4452000 E-mail: Sahil.goyal@careedge.in

About us:

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