



Press Release
P F GLASS FOUNDATION
February 25, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.14	ACUITE B Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	10.14	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITE B**' (read as **ACUITE Bo**)n the Rs. 10.14 Cr. bank facilities of P F Glass Foundation. The outlook is '**Stable**'.

Rationale for Rating Assigned

The rating factors in the experienced management and benefits derived from being promoted by Audyogik Nidhi Vishwast Sanstha (ANVS). However, the rating is constrained by limited operational track record of the company, below average financial risk profile, working capital intensive operations and poor liquidity position of the company.

About the Company

P F Glass Foundation (PFGF) is a Company incorporated in the year 2018 and registered under Section-8 of the Companies Act-2013 with the registrar of companies (ROC), Pune. PFGF is promoted by Audyogik Nidhi Vishwast Sanstha (ANVS), Talegaon Dabhade, Pune, Maharashtra.

PFGF has set up a Toughened glass processing unit at Talegaon Dabhade where commercial production commenced in Jun 2023. The company caters to Architecture, Automotive, Flat Glasses for White goods (OEMs) for ovens, Glass Hobs etc. PFGF has carried out a long-term management agreement with its parent body ANVS for providing land and ready to use industrial shed of area 22,000+ sq. ft.

About Audyogik Nidhi Vishwast Sanstha (ANVS)

Audyogik Nidhi Vishwast Sanstha (ANVS) is more than 100-year-old charitable trust registered under the Bombay Public Trust (BPT) Act- 1950 with the Charity Commissioner, Pune. ANVS registration no. is F-58, dated 5th Nov. 1952. ANVS is popularly known as 'Paisha Fund (PF) Glass Works 'or 'Paisha Fund Kanch Karkhana'. ANVS has been registered with the main objects of bringing in an industrial development in India and to increase involvement of people in industrial activities. The word 'Paisha Fund' has a long historical standing in the Indian Independence movement.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of PFGF to arrive at the rating.

Key Rating Drivers

Strengths

Experienced Promoter group

PFGF is promoted and backed by ANVS which is a 100-year-old charitable trust. The trust has provided land and key managerial personnel to PFGF to set up a Toughened glass processing unit at Talegaon Dabhade in the year 2023 to cater to Architecture, Automotive, Flat Glasses for White goods (OEMs) for ovens, Glass Hobs etc. PFGF has carried out a long-term management agreement with its parent body ANVS for providing land and ready to use industrial shed of area 22,000+ sq. ft. The team of PFGF are Glass experts by qualification and having more than 23 years of rich experience in glass field, decided to enter flat glass processing and enter safety glass market. The extensive experience of the promoters will help in establishing healthy relationships with their customers and suppliers.

Acuite, believes that experienced management is likely to help in the improvement of the business risk profile in the medium term.

Weaknesses

Limited operational record

The company was incorporated in the year 2018, however the operations of the company started in Jun 2023. The operating income of the company stood at Rs. 3.39 Cr. in FY2024 for 10 months. Further, the company has recorded revenue of Rs. 11.02 Cr. in 9MFY2025. The increase in revenue in 9M FY2025 is on account of orders received from customers for toughen glass used in refrigerator, ovens, cook top etc. The company incurred losses at operating level as well as at PAT level in FY2024 to the tune of Rs. 0.51 Cr. and Rs.3.04 Cr. respectively due to initial stage of operations. The company is expected to report thin profits at operating level in coming two years, however company will continue to report losses at PAT level in the medium term due to high interest and depreciation cost.

Below average financial risk profile

The financial risk profile of the company remained below average marked by negative net worth, gearing level and debt protection metrics. The tangible net worth of the firm stood negative at Rs. 3.10 Cr. as on March 31, 2024 as compared to 0.06 Cr. as on March 31, 2023. The total debt of the company stood at 11.00 Cr. as on March 31, 2024 as compared to Rs. 7.34 Cr. as on March 31, 2023 which consist mainly of long term debt.

Acuite believes, the financial risk profile of the company to remain below average on account of subdued profitability.

Working capital intensive operations

The working capital operations of the company are of intensive nature marked by GCA of 320 days in FY24. The debtor days stood at 117 in FY24. The average credit period allowed to the customers is around 45 days. The company's more than 90 per cent of sales is derived from Haier Appliances India Private Limited and rest is received from other clients. The payment is received after delivery of the products within 45 days. The inventory days stood at 55 days in FY24. The creditor days stood at 697 days in FY24. The company on an average receives 45 days to 60 days credit period from the suppliers. However, the reliance on working capital limits stood high at ~96 per cent for the last 6 months ending Jan'25.

Acuite believes, the, working capital operations are expected to remain intensive over the medium term on the back of elongated debtor days.

Rating Sensitivities

- ✦ Maintaining sufficient liquidity and adequate infusion of funds by trust ensuring timely repayment of debts.
- ✦ Improvement in revenues while generating adequate cash accruals
- ✦ Working capital management

Liquidity Position Stretched

The liquidity of the company is stretched, marked by insufficient net cash accruals to service its debt repayment obligations. The Net cash accruals of the company stood negative at Rs. 1.29 Cr. in FY24 as against repayment obligation of Rs. 1.37 Cr. during the same period. Further, the net cash accruals are expected to remain low to meet its debt obligation in the near term wherein the company remains dependent on infusion of funds from ANVS for timely repayment of debt. The company's reliance on bank limits is also high with average utilization of 96 percent for 6 months ended Jan'25. The current ratio of the company stood at 0.64 times in FY24.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	3.39	0.00
PAT	Rs. Cr.	(3.04)	0.00
PAT Margin	(%)	(89.77)	0.00
Total Debt/Tangible Net Worth	Times	(3.55)	(0.84)
PBDIT/Interest	Times	(0.56)	0.00

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History: Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Cash Credit	25 Aug 2023	Not avl. / Not appl.	Not avl. / Not appl.	1.81	Simple	ACUITE B Stable Assigned
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Term Loan	20 Oct 2022	Not avl. / Not appl.	17 Nov 2031	8.24	Simple	ACUITE B Stable Assigned
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Term Loan	03 Apr 2024	Not avl. / Not appl.	17 Nov 2031	0.09	Simple	ACUITE B Stable Assigned

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