

Century Extrusions Limited

September 21, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 93.68 Crore (Enhanced from Rs.73.61 crore)	Regulator[^]
Long Term Rating	IVR BBB/Positive (Rating reaffirmed; Outlook revised to 'Positive' from 'Stable')	RBI
Short Term Rating	IVR A3+ (Rating Reaffirmed)	RBI

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

The reaffirmation of the ratings assigned to the bank facilities of Century Extrusions Limited (CEL) continues to derive strength from the company's established track record in the aluminium extrusion industry, experienced promoters, diversified customer base and satisfactory improvement in operating performance. The ratings also factor in the near completion of the company's capacity expansion project at its Kharagpur facility, which is expected to enhance the installed aluminium extrusion capacity from 15,000 MTPA to 24,000 MTPA and support growth in the scale of operations. The financial risk profile remains moderate, with improvement in debt coverage indicators in FY26 (FY refer the period from April 1 to March 31), while the proposed equity infusion through rights issue is expected to support strengthening of the capital structure going forward. The ratings, however, remain constrained by the working capital-intensive nature of operations, susceptibility of operating margins to volatility in aluminium prices and the inherent cyclicity of the aluminium and metal industry.

Outlook: Positive

The Positive outlook reflects the expectation that a sustained improvement in operating scale and profitability, successful ramp-up of the expanded capacity and strengthening of the capital structure could result in an improvement in the overall credit profile.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

Key Rating Drivers with Detailed Description

Strengths

- **Capacity expansion near completion which is expected to drive the revenue going forward**

CEL is undertaking a capacity expansion at its existing Kharagpur facility involving installation of a new 8-inch, 2,500 MT aluminium extrusion press along with associated handling and heating systems. Against the estimated project cost of Rs.30.00 crore, Rs.28.80 crore has been incurred through unsecured loan from body corporate of Rs.14.00 crore and the remaining through internal accruals. The major equipment has already been installed, and commercial production is targeted from September 2026. Upon completion, the project is expected to increase the company's installed aluminium extrusion capacity by 9,000 MTPA to 24,000 MTPA from 15,000 MTPA, thereby enhancing its ability to cater to additional customer requirements and support growth in its scale of operations.

- **Improvement in business performance**

CEL's operating performance remained satisfactory, with Total operating income (TOI) witnessing a Y-o-Y2 growth of ~11% to Rs. 478.56 crore in FY26 from Rs.431.25 crore in FY25, supported primarily by higher realisations (~12%) despite marginal moderation in sales volumes (~1%). EBITDA improved from Rs. 25.91 crore in FY25 to Rs. 31.75 crore in FY26, with EBITDA margin strengthening from 6.01% to 6.63% during the same period, aided by improved EBITDA/MT. PAT also increased from Rs.9.94 crore in FY25 to Rs.10.97 crore in FY26, while PAT margin remained stable at 2.29% in FY26 as against 2.30% in FY25. Moreover, gross cash accruals also improved from Rs. 13.16 crore in FY25 to Rs. 17.22 crore in FY26, indicating improvement in internal cash generation. Q1FY27 performance remained strong, with TOI increasing by 32.85% Y-o-Y to Rs.138.36 crore, supported by higher business volumes. EBITDA margin improved to 7.70% in Q1FY27 from 6.69% in Q1FY26, while PAT margin also improved to 2.72% from 2.26% over the same period, reflecting better operating profitability. Going forward, the company is expected to maintain growth in operating income, supported by healthy business volumes, while profitability is expected to remain moderate.

- **Moderate capital structure albeit improvement in debt coverage indicators in FY26**

The capital structure marked by overall gearing moderated to 1.22x as on March 31, 2026, from 0.90x as on March 31, 2025, with total debt increasing by 33.5% y-o-y to Rs. 99.42 crore from Rs. 74.47 crore, primarily due to higher bill discounting and the addition of Rs. 14.00 crore short-term unsecured loan from a body corporate, availed to part-finance the company's ongoing capacity expansion at Kharagpur. Further, the adjusted tangible net worth (ATNW) also decreased from Rs. 82.46 crore as on March 31, 2025, to Rs. 81.53 crore as on March 31, 2026,

due to the write-off of subsidy receivables to the tune of Rs.11.10 crore pertaining to the erstwhile Industrial Promotion Scheme (IPA) from accumulated reserves and surplus, following withdrawal of the scheme by the Government of West Bengal. The debt coverage indicators improved in FY26, supported by higher operating profitability, with interest coverage (ICR) improving from 2.50x in FY25 to 2.96x in FY26. However, total debt/EBITDA moderated from 2.87x as on March 31, 2025, to 3.13x as on March 31, 2026, due to the increase in debt. Overall, the debt servicing capacity remained adequate despite the increase in leverage. Going forward, the capital structure is expected to strengthen with the proposed capital infusion through rights issue, supporting moderation in leverage and maintaining adequate debt protection metrics.

- **Low customer concentration risk**

CEL has around 500 customers pan India with top five customers contributing ~26% of the total sales in FY2026 fiscal year. Further, CELs products cater to various sectors including industrial, power sector, engineering etc. with no single customer contributing to more than ~ 9% of the total sales, thereby indicating a diversified revenue profile.

- **Extensive experience of the promoters in the aluminium industry**

CEL is promoted by one Jhunjhunwala family of Kolkata in 1991. Initially, the operations of the company were headed by Mr. Vikram Jhunjhunwala, who has an experience of about three decades in manufacturing and factory administration for aluminium extruded products. However, post his resignation from June 02, 2025, after having attained the age of 60 years, his son Mr. Shivanshu Jhunjhunwala has taken over the position of Managing Director of the company. Mr. Shivanshu Jhunjhunwala is a graduate from Duke University, USA and also has professional experience in the U.S. with Sapa Extrusions. He is well supported by the other directors, all of whom have an experience of over a decade in the aluminium extrusion industry. The extensive experience of the promoters and long track record of the company for nearly three decades in the aluminium industry has helped the company to establish a healthy relationship with customer and suppliers.

Weaknesses

- **Susceptibility of operating margin to volatility in raw material prices**

The aluminium ingots and billets are the key raw material for CEL. CEL procures these materials at the price prevailing on the date of its dispatch. The aluminium industry is cyclical in nature with prices for the commodity driven by changing demand and supply conditions in the market which also has strong linkages to the global market. This results in risk of price fluctuation on the inventory of raw materials as well as finished goods. The overall working capital intensity of CEL's business is governed to a large extent by its raw material inventory which in turn is governed by its order execution cycle.

- **Working capital intensive nature of operations**

CEL's operations remain working capital intensive, with the operating cycle increasing to 71 days in FY26 from 56 days in FY25, primarily due to an increase in inventory holding period to 44 days from 36 days and a marginal increase in the average collection period to 40 days from 36 days. The inventory level increased to Rs.68.16 crore as on March 31, 2026, from Rs.40.56 crore as on March 31, 2025, driven by higher metal prices as well as around ~10% growth in inventory volumes. Further, the company is required to extend credit to its customers in line with industry practice, resulting in continued working capital requirements.

- **Exposure to inherent cyclicity of the metal industry**

CEL remains exposed to the inherent cyclicity of the aluminium and metal industry, wherein fluctuations in metal prices, demand conditions and competitive intensity can impact realisations and operating margins. Such cyclicity may result in volatility in the company's profitability and cash flows, particularly during periods of adverse movement in metal prices or subdued demand.

Liquidity – Adequate

The liquidity profile of the company is likely to remain adequate supported by expected sufficient cash flow from operations vis-à-vis its debt repayment obligations in the near to medium term. Further, the company is expected to receive capital infusion of around Rs. ~40 crore through a proposed rights issue in FY2027, which is expected to provide additional financial flexibility. Additionally, the average utilisation of fund-based working capital limits remained moderate at around 73% during the last twelve months ended July 2026 providing adequate buffer in its working capital limits.

Rating Sensitivities

Upward Factors

- Significant growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals on a sustained basis.
- Sustained improvement in the capital structure with improvement in debt protection metrics marked by improvement in interest coverage ratio to more than 3x
- Effective working capital management with improvement in operating cycle and liquidity

Downward Factors

- Dip in operating income and/or profitability impacting the debt coverage indicators on a sustained basis
- Deterioration in the capital structure with moderation in overall gearing to above 1.5x and/or moderation in interest coverage to below 2.00x
- Elongation in the operating cycle impacting the liquidity position of the company

About the Company

Established in 1991, CEL possesses in-house facilities for die manufacturing, melting and casting of billets and an extrusions manufacturing facility. The manufacturing facility of the company is located in Kharagpur, West Bengal with an annual installed capacity of 15000 MTPA. CEL manufactures extrusions for varied applications i.e., architectural, hardware, road transport - vehicles, railways, electrical and electronic applications, engineering applications, automotive sector, consumer durables, defence applications, irrigation etc.

As part of its capacity expansion, CEL has increased its aluminium extrusion capacity from 15,000 MTPA to 24,000 MTPA. The company has installed a new 8-inch extrusion press line with modern technology, along with an upgraded handling system, hot-top casting table, 9-inch single-log heater with hot shear, electric heating ageing and annealing furnaces, and a 45 KW nitriding furnace. The newly installed equipment is currently undergoing trial runs with commercial production expected to commence from September 2026.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	431.25	478.56
EBITDA	25.91	31.75
PAT	9.94	10.97
Total Debt	74.47	99.42
Tangible Net Worth (TNW)	82.50	81.69
EBITDA Margin (%)	6.01	6.63
PAT Margin (%)	2.30	2.29
Overall Gearing (times)	0.90	1.22
Interest Coverage (times)	2.50	2.96

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

Applicable Criteria

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Withdrawal of Ratings](#)

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years



Sr. No.	Instrument s/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years				
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in in 2023-24		
					September 16, 2025	August 05, 2024	February 15, 2024	August 25, 2023	June 07, 2023
1.	Fund based facilities	LT/ST	89.68	IVR BBB/Positive/IVR A3+	IVR BBB/Stable/IVR A3+	IVR BBB/Stable/IVR A3+	IVR BBB/Stable/IVR A3+	IVR BBB/Stable/IVR A3+	IVR BBB/Stable/IVR A3+
2.	Non-fund-based facilities	ST	4.00	IVR A3+	IVR A3+	IVR A3+	IVR A3+	IVR A3+	IVR A3+

Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
GECL	-	-	-	Nov 2026	0.18	IVR BBB/Positive	NA	RBI	Simple
GECL	-	-	-	June 2031	1.89	IVR BBB/Positive	NA	RBI	Simple
GECL	-	-	-	June 2031	2.11	IVR BBB/Positive	NA	RBI	Simple
GECL	-	-	-	-	0.00 * (1.99)	Withdrawn	NA	RBI	Simple
GECL	-	-	-	-	0.00 * (0.32)	Withdrawn	NA	RBI	Simple
Cash Credit	-	-	-	-	15.00	IVR BBB/Positive	NA	RBI	Simple
Cash Credit	-	-	-	-	15.00	IVR BBB/Positive	NA	RBI	Simple
Cash Credit	-	-	-	-	11.00	IVR BBB/Positive	NA	RBI	Simple
Cash Credit	-	-	-	-	9.50	IVR BBB/Positive	NA	RBI	Simple
Cash Credit	-	-	-	-	25.00	IVR BBB/Positive	NA	RBI	Simple
Cash Credit	-	-	-	-	0.00 * (18.00)	Withdrawn	NA	RBI	Simple
Cash Credit	-	-	-	-	0.00 * (6.50)	Withdrawn	NA	RBI	Simple
Letter of Credit	-	-	-	-	3.00	IVR A3+	NA	RBI	Simple
Letter of Credit	-	-	-	-	0.00 * (7.00)	Withdrawn	NA	RBI	Simple
Letter of Credit	-	-	-	-	0.00 * (4.00)	Withdrawn	NA	RBI	Simple
Bank Guarantee	-	-	-	-	1.00	IVR A3+	NA	RBI	Simple
Bank Guarantee	-	-	-	-	0.00 * (2.50)	Withdrawn	NA	RBI	Simple



Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook	Listing Status	Regulator^	Complexity Indicator
Bank Guarantee	-	-	-	-	0.00 * (1.00)	Withdrawn	NA	RBI	Simple
Purchase Bill/Invoice Bill Discounting Facility	-	-	-	-	10.00	IVR A3+	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

*Rating assigned to the GECL loan of Rs. 1.99 crore and Rs.0.32 crore, cash credit of Rs.18.00 crore and Rs.6.50 crore, letter of credit of Rs.7.00 crore and Rs.4.00 crore and bank guarantee of Rs.2.50 crore and Rs.1.00 crore earlier is withdrawn based on No Due Certificate of the lender, received from the client.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/Len_Century_Extru21_Sep26_044b6a82b4.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Consolidated/Combined analysis: Not Applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA

Sr. No.	Instrument / activity Name	Regulator of the instruments
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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