

November 18, 2025

## Global Aluminium Private Limited: Rating reaffirmed; rated amount enhanced

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based cash credit	90.0	175.00	[ICRA]A (Stable); reaffirmed/assigned for the enhanced amount
Long-term – Fund-based Term Loans	-	50.00	[ICRA]A (Stable); assigned
Long-term – Unallocated	3.0	0.00	-
<b>Total</b>	<b>93.0</b>	<b>225.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The rating action factors in ICRA's expectation of a sustained healthy operational and financial performance of Global Aluminium Private Limited (GAPL) in the near to medium term on the back of a robust domestic demand for aluminium extrusion players. ICRA notes that the company's performance continues to remain healthy in the current fiscal with revenues expected to be ~5% higher on the back of strong domestic demand, following a 16% growth in FY2025. In FY2025, the domestic volume grew by 19%, offsetting decline in the export volumes due to economic slowdown in some of the major economies.

Going forward, GAPL is expected to report healthy volume growth from the addition of new customers in the solar and EV segments. In FY2025, the operating profit margin (OPM) despite moderation, remained healthy at ~9.8% vis-à-vis 11.2% reported in FY2024. In the current fiscal, the operating margins are expected to remain in line, on the back of higher share of high-margin orders (larger diameter profiles) and other cost rationalisation measures undertaken by the company. Consequently, the debt coverage indicators are also expected to remain healthy. The liquidity position in the current fiscal is expected to remain comfortable on the back of healthy cash accruals, sufficient cushion in working capital limits and calibrated capex plans over the medium term.

The rating continues to consider GAPL's established presence and the significant experience of the promoters in the domestic aluminium extrusion industry, leading to a wide distribution network and a reputed customer base, lending stability to its business volumes. The rating, however, is constrained by GAPL's moderate net worth position due to limited accretion to reserves in the past and the recent share buybacks that lowered the TNW. GAPL's margins remain exposed to fluctuations in raw material prices and foreign exchange rates along with intense competition, given the highly fragmented nature of the industry.

### Key rating drivers and their description

#### Credit strengths

**Comfortable return metrics, capitalisation and debt coverage indicators** - GAPL's operating profits continued to be healthy at ~Rs. 103 crore, while the operating margin was lower by ~140 bps due to lower share of exports, which are typically high-margin orders. The operating margins are expected to remain healthy with increase in share of value-added products (larger diameter profiles). The company's financial risk profile continues to be comfortable, evident from its satisfactory capital structure (gearing of 0.5 times as on March 31, 2025) and debt coverage metrics (interest cover of ~8.7 times in FY2025). Further, the company's exposure to external term debt is expected to remain low with moderate dependence on working capital debt. The liquidity position, despite moderation due to Rs. 150-crore investment in a Group entity, remained comfortable in FY2025 and current fiscal, with the company having cash and liquid investment of ~Rs. 3 crore as of September

2025 and average cushion of ~42 crore vis-à-vis the sanctioned limits for the six-month period ended September 2025. Going forward, the coverage indicators and liquidity would continue to be comfortable with revenue growth and a healthy OPM.

**Vast experience of promoters and established presence in aluminium extrusion industry** - The company is promoted by Mr. Anil Agarwal, who has more than 30 years of experience in the aluminium extrusion industry. With over two decades of operational track record and an aggregate capacity of 50,400 MTPA, GAPL is an established player in the domestic aluminium extrusion industry. The promoter's experience has enabled the company to establish healthy relationships with various reputed customers and suppliers. The company has an established market presence and can produce diverse products that find application in varied end-user industries. Further, ICRA also notes the company's improved financial flexibility because of its stronger promoter profile, wherein Fairfax Financial Holdings holds ~46% stake in GAPL (shareholding will increase to 65%, post-merger of Ard-Sama Enterprises with GAPL).

### Credit challenges

**Moderation in net worth position due to share buybacks in the past** – The limited accretion to reserves in the past has resulted in a lower net worth position for GAPL. Also, its net worth position moderated in the past, on account of the share buyback, resulting in an outflow of Rs. 93 crore from the company's reserves. While the healthy accretion in the last three fiscals has improved the net worth position from the past levels, it remains low. Nonetheless, ICRA expects the net worth to improve in the medium term with continued healthy performance and accretion to reserves.

**Intense competition in industry** - The company faces competition from organised and unorganised players in the fragmented aluminium extrusion industry, given the low capital investment and technical expertise required to produce extrusions with simple designs. As the company has healthy capacity in the extrusion space in India, it enjoys some pricing flexibility with customers that are not price sensitive and focus primarily on quality.

**Susceptibility of margins to fluctuations in raw material prices**- Aluminium accounts for 96-97% of the total raw material costs. With volatility in prices, GAPL's margins remain susceptible to the raw material price movement. However, the company matches sales with purchases, mitigating the raw material price risk to an extent. The company purchases aluminium in the form of ingots and billets from large domestic suppliers like Vedanta Limited and National Aluminium Company.

### Liquidity position: Adequate

The company's liquidity position is adequate, given the healthy cash generation from the business, healthy cash and FD balance of Rs.3 crore as on September 30, 2025, sufficient cushion in working capital limits (averaging at ~Rs. 42 crore for the six-month period ended in September 2025). Furthermore, the enhancement in GAPL's working capital limits from October 2025 provides additional financial flexibility, ensuring that the liquidity cushion is expected to remain adequate going forward. With no external debt repayment obligations in FY2026 and calibrated capex plans over the medium term, the liquidity is expected to remain comfortable for the company.

### Rating sensitivities

**Positive factors** – The rating could be upgraded if the company demonstrates a significant increase in revenues and profitability and a strengthened net worth position, while maintaining healthy debt coverage indicators and liquidity.

**Negative factors** – The rating could witness a downward revision if the company's revenue/profitability is adversely impacted, leading to a deterioration in the debt protection metrics. Further, any sizeable dividend payout or higher working capital requirement, adversely impacting the liquidity position can result in a downward rating revision. A specific trigger for downgrade would be an interest coverage below 5 times on a sustained basis.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

## About the company

GAPL, incorporated in 1997, manufactures aluminium extrusions used in architecture, electronics, electrical and automobile industries. The company's manufacturing unit is at Kallakal village in the Medak district of Telangana with an installed capacity of 50,400 MTPA. The company manufactures premium-quality extrusions in different alloys using more than 15,000 dies for 8,000 different profiles. Further, the company has in-house anodising and powder coating facilities to manufacture value-added products. From October 2024, 46% stake in GAPL is held by Fairfax India, and 54% continues to be with the promoters. The day-to-day operations of GAPL are managed by its managing director, Mr. Anil Agarwal.

## Key financial indicators (audited)

GAPL	FY2024	FY2025*	H1 FY2026*
Operating income	911	1058	592
PAT	68	64	42
OPBDIT/OI	11.2%	9.8%	8.5%
PAT/OI	7.5%	6.0%	7.1%
Total outside liabilities/Tangible net worth (times)	0.8	0.8	0.6
Total debt/OPBDIT (times)	0.9	1.2	1.1
Interest coverage (times)	7.9	8.7	8.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation, \* Provisional

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Instrument	Current (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Nov 18, 2025			FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based term loan	Long term	-	-	-	-	Nov 12, 2024	-	May 11, 2023	[ICRA]A (Stable)	May 23, 2022	[ICRA]A- (Stable)
				-	-	May 31, 2024	-				
Fund-based working capital	Long term	175.00	[ICRA]A (Stable)	Aug 29, 2025	[ICRA]A (Stable)	Nov 12, 2024	[ICRA]A(S table)	May 11, 2023	[ICRA]A (Stable)	May 23, 2022	[ICRA]A- (Stable)
						May 31, 2024	[ICRA]A(S table)				
Fund Based Term loans	Long term	50.00	[ICRA]A (Stable)	-	-						

Unallocated	Long term	0.00	-	Aug 29, 2025	[ICRA]A (Stable)	Nov 12, 2024	[ICRA]A(S table)	May 11, 2023	[ICRA]A (Stable)	May 23, 2022	-
						May 31, 2024	[ICRA]A(S table)				

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based working capital	Simple
Long-term – Fund-based Term Loans	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

#### Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit	-	-	-	175.00	[ICRA]A(Stable)
NA	Term Loans	-	-	-	50.00	[ICRA]A(Stable)
NA	Unallocated	-	-	-	0.00	-

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis- Not applicable.

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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