**September 24, 2026**

# Century LED Limited: Upgraded and removed from Issuer Not Cooperating category and assigned for enhanced amount

## Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action | Financial sector regulator# |
|---|---|---|---|---|
| **Long-term – Fund-based – Term Loan** | 4.06 | 0.00 | - | RBI |
| **Long-term – Fund-based – Working capital facilities** | 40.00 | 65.00 | [ICRA]BBB(Stable); Upgraded from [ICRA]BB+(Stable) and removed from Issuer Not Cooperating category and assigned for enhanced amount | RBI |
| **Short-term – Non-fund based limits** | 36.00 | 40.00 | [ICRA]A3+: Upgraded from [ICRA]A4+ and removed from Issuer Not Cooperating category and assigned for enhanced amount | RBI |
| **Unallocated** | 0.00 | 0.06 | [ICRA]BBB(Stable)/ [ICRA]A3+; assigned | RBI |
| **Total** | **80.06** | **105.06** | | |

**Instrument details are provided in Annexure I*

*#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of financial sector regulators other than SEBI*

## Rationale

The ratings upgrade for Century LED Limited (CLL), along with removal of the ratings from the 'Issuer Not Cooperating' category factor in the resumption of cooperation by the company in terms of information sharing.

The ratings factor in the improvement in CLL's financial performance in FY2026, which is likely to sustain over the medium term. In FY2026, the revenues improved by 35% to Rs. 168 crore, aided by operating leverage benefits, the company's operating margins improved to ~11%, compared to operating losses incurred in FY2025. The trend is likely to continue in FY2027 with revenues expected to further grow by ~10-11%, supported by rise in B2B business and increasing volumes in the retail business, along with steady operating margins.

The ratings consider the established presence of CLL's Magik brand in the lighting segment, especially in the eastern region, which accounted for over ~53% of its total sales in FY2026. Over the years, the company has taken various steps to develop its brand by enhancing its distributors and retail network and appointing experienced professionals in the sales and marketing team. The external debt remains low at ~Rs. 60.1 crore as of March 2026, resulting in adequate leverage with External debt/ OPBITDA of ~3.0 times. The debt coverage metrics improved with an interest coverage of ~2.3 times in FY2026, which is likely to remain steady in FY2027. The ratings factor in the financial flexibility enjoyed by CLL for being a part of the Century Group, which has a strong market position in the domestic plyboard and cement industries through Century Plyboards (India) Limited (rated at [ICRA]AA(Stable)/ [ICRA]A1+) and Star Cement Limited via common shareholders and directorship. The promoters have demonstrated support in the past via ~Rs. 13.1 crore promoter loans infused over FY2024-FY2026. ICRA takes comfort from the promoters' willingness to provide timely financial support, if required and the experience of the management in managing companies through the initial growth phase.

The ratings, however, remain constrained by the modest scale of operations in an intensely competitive domestic lighting industry, which is likely to limit any significant improvement in operating profitability, going forward. The ratings consider the moderate financial profile of CLL, characterised by high working capital intensity. The ratings are also constrained by the cyclical nature of the industry and vulnerability to disruptive technological change.

The Stable outlook reflects an expected improvement in CLL's revenues and profitability in the near term, resulting in adequate cash flows and debt coverage indicators.

## Key rating drivers and their description

### Credit strengths

**Experienced promoter and management team; demonstrated track record of funding support from promoters** – CLL is promoted by Mr. Sajjan Bhajanka, Mr. Sanjay Agarwal and their family members, who are part of the Century Group. The company benefits from the extensive experience of its promoters and management team, who have established experience in building and scaling businesses within the Century Group (Century Plyborads (rated [ICRA]AA (Stable)/[ICRA]A1+) and Star Cement Limited). The company derives comfort from the demonstrated financial support extended by the promoters over the years, particularly during periods of weak profitability and elevated working capital requirements. The promoters infused ~Rs. 67.4 crore since inception through a combination of unsecured loans and equity conversion, including Rs.13.1 crore during FY2024-FY2026 to support operations and business growth, reflecting their commitment towards the company. Further, CLL enjoys financial flexibility arising from its association with the Century Group through common shareholding and directorship with established group entities.

**Established brand and distribution network in eastern India** – CLL benefits from the established presence of its 'Magik' brand in the domestic lighting industry, particularly in the eastern region, which accounted for over ~53% of its total sales in FY2026. The company has developed a strong distribution and retail network over the years and has consistently invested in brand-building initiatives, including dealer engagement programmes, digital marketing and appointment of Mr. Sourav Ganguly as a brand ambassador. Its strong market position in West Bengal and wider East India, coupled with an expanding distributor base and improving brand recall, supports the company's business profile and revenue generation prospects.

### Credit challenges

**Moderate scale of operations and high concentration in an intensely competitive industry** – The company's scale of operations remains modest with revenues of ~Rs. 168 crore as of March 2026. Further, it is exposed to geographical concentration, with a significant portion of revenues (~59%) derived from East India. Moreover, the domestic lighting industry is characterised by intense competition, frequent product innovation and pricing pressures from organised as well as regional players. This limits the company's pricing power and may constrain any significant improvement in its market position and operating profitability over the medium term.

**High working capital intensity** – CLL's financial profile is characterised by high working capital intensity on account of elevated inventory levels and longer receivable cycles. While the working capital intensity moderated in FY2026 with NWC/OI of 49% compared to 65% in FY2025, it remains high and necessitates dependence on working capital borrowings, thereby constraining the financial flexibility.

**Susceptible to cyclicality inherent in end-user markets and disruptive technological change** – The demand for lighting products, to some extent, is driven by real estate/construction activities, exposing the company's operations to cyclicality inherent in the end-user market. Further, its business remains susceptible to the risk of disruptive technological changes because of the growing focus on energy conservation and frequent introduction of more energy-efficient products. However, new products introduced by the company mitigates the risk to an extent.

## Liquidity position: Adequate

CLL's liquidity remains adequate. It has cash balances of ~Rs. 2.3 crore as of March 2026. The liquidity is supported by improving cash flow from operations, negligible long-term debt servicing obligations and no major capex plans. There is ~10% cushion in its WC limits, which provides some comfort. The internal sources of funds will be adequate to meet the company's interest servicing obligations in FY2027. Moreover, it enjoys considerable financial flexibility as it is a part of the Century Group.

## Rating sensitivities

**Positive factors** – Sustained improvement in revenues and profitability, along with better working capital management resulting in improved debt protection metrics and liquidity position could lead to a rating upgrade.

**Negative factors** – Any material deterioration in operating performance, working capital intensity or a significant increase in debt levels, impacting the debt protection metrics or liquidity position, on a sustained basis, could exert downward pressure on the ratings.

## Analytical approach

| Analytical approach | Comments |
|---|---|
| **Applicable rating methodologies** | Corporate Credit Rating Methodology |
| **Parent/Group support** | CLL enjoys financial flexibility for being a part of the Century Group. The Group's promoters have a track record of extending financial support through unsecured loans. Given the reputation sensitivity, ICRA expects the promoters to continue to extend financial support as and when required. |
| **Consolidation/Standalone** | Standalone |

## About the company

Incorporated in 2005, CLL manufactures and trades in LED lamps under the brand, Magik. The company's manufacturing unit is in Howrah, West Bengal, with an annual installed capacity of 10 million units per annum. CLL has a pan-India distribution network, besides having an established presence in the institutional segment with corporate and Government organisations as its customers.

### Key financial indicators (audited)

| CLL (Standalone) | FY2024 | FY2025 | FY2026* |
|---|---|---|---|
| **Operating income** | 144.7 | 124.3 | 168.0 |
| **PAT** | 0.1 | -10.0 | 7.9 |
| **OPBDITA/OI** | 6.7% | 0.0% | 11.4% |
| **PAT/OI** | 0.1% | -8.0% | 4.7% |
| **Total outside liabilities/Tangible net worth (times)** | 4.4 | 8.7 | 6.6 |
| **Total debt/OPBDITA (times)** | 7.5 | -7615.5 | 4.8 |
| **Interest coverage (times)** | 1.4 | 0.0 | 2.3 |

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

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

## Any other information: None

## Rating history for past three years

| Instrument | Current rating (FY2027) | | | Chronology of rating history for the past 3 years | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Type | FY2027 | | FY2026 | | FY2025 | | FY2024 | |
| | | Amount rated (Rs. crore) | September 24, 2026 | Date | Rating | Date | Rating | Date | Rating |
| **Term loans** | Long term | 0.00 | - | June 23, 2025 | [ICRA]BB+ (Stable); ISSUER NOT COOPERATING | - | - | Mar 26, 2024 | [ICRA]BBB (Stable) |
| **Cash credit** | Long term | 65.00 | [ICRA]BBB(Stable) | June 23, 2025 | [ICRA]BB+ (Stable); ISSUER NOT COOPERATING | - | - | Mar 26, 2024 | [ICRA]BBB (Stable) |
| **Letter of credit/ Bank guarantee** | Short term | 40.00 | [ICRA]A3+ | June 23, 2025 | [ICRA]A4+; ISSUER NOT COOPERATING | - | - | Mar 26, 2024 | [ICRA]A3+ |
| **Unallocated** | Long/ Short term | 0.06 | [ICRA]BBB(Stable)/ [ICRA]A3+ | - | - | - | - | - | - |

## Complexity level of the rated instruments

| Instrument | Complexity indicator |
|---|---|
| **Long-term – Fund-based – Working capital facilities** | Simple |
| **Short-term – Non-fund based** | Simple |
| **Unallocated** | NA |

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 date | Amount Rated (Rs. crore) | Current rating and outlook | Financial sector regulator# |
|---|---|---|---|---|---|---|---|
| **NA** | **Fund-based – Working capital facilities** | NA | NA | NA | 65.00 | [ICRA]BBB(Stable) | RBI |
| **NA** | **Non-fund based limits** | NA | NA | NA | 40.00 | [ICRA]A3+ | RBI |
| **NA** | **Unallocated** | NA | NA | NA | 0.06 | [ICRA]BBB(Stable)/ [ICRA]A3+ | RBI |

*Source: Company*

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*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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## ABOUT ICRA LIMITED

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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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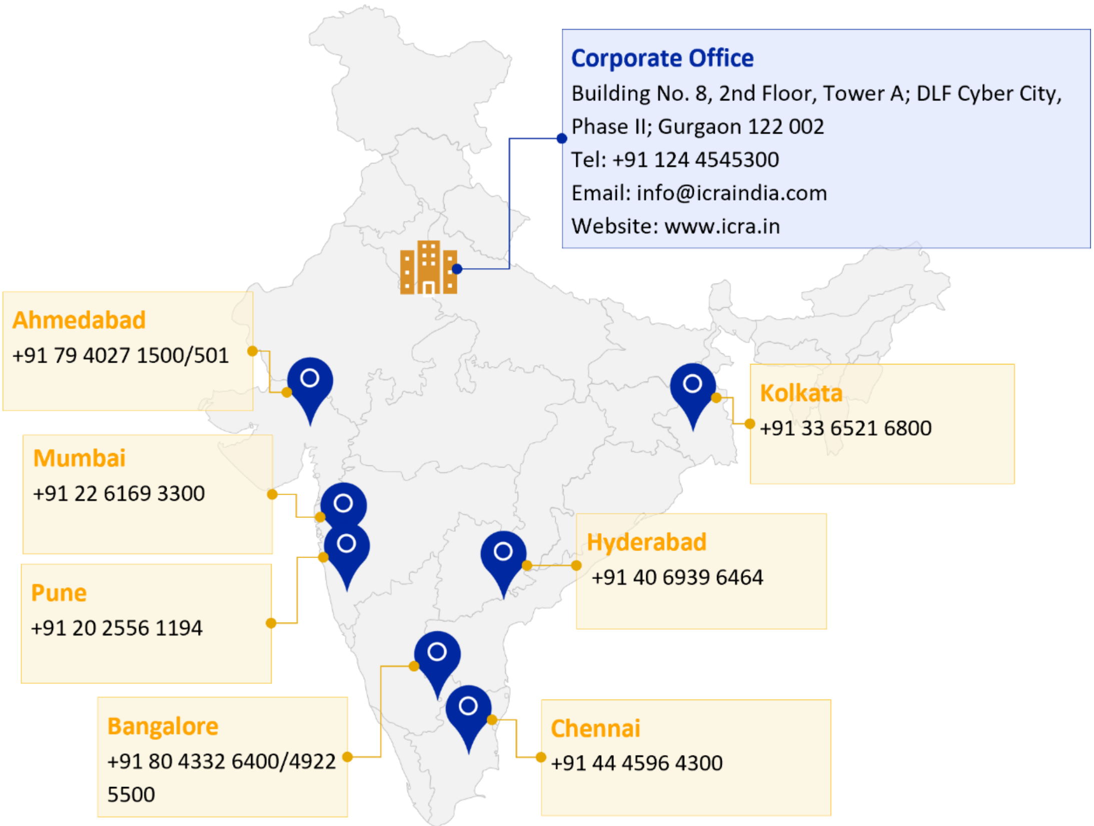




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