



Press Release

Shrijay Foils Limited

December 19, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility	166.00	IVR BB-/ Stable (IVR Double B minus with Stable outlook)	-	Assigned	Simple
Short Term Bank Facility	11.00	IVR A4 (IVR A Four)	-	Assigned	Simple
Total	177.00 (INR one hundred seventy-seven crore only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The ratings assigned to the bank facilities of Shrijay Foils Limited (SFL) derive strength from the diversified experience of promoters, Government support, and favourable location of the project. However, these ratings strengths are partially constrained due to moderate experience of the promoters in the aluminium industry, exposed to project execution risk, and competitive industry.

The long-term rating outlook is Stable as the company will continue to benefit from the diversified experience of the promoters.

Key Rating Sensitivities:

Upward Factors

- Timely completion of project without time and cost overrun from what has been envisaged.
- Achieving projected revenue and profitability as envisaged.

Downward Factors

- Project gets delayed with cost and time overrun.
- Adverse deviation in the revenue and profitability as projected



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Diversified experience of promoters

The key promoter of the company, Mr Rohit Podder, has experience of 10 years in Industrial equipment and has also worked in the consulting industry. He is supported by other two directors, Mr. Piyush Bansal and Mr. Aayush Jalan who also have 5 years and 10 years respectively.

Government support

Government subsidies to the project amount to around 125 crore over the next 7 years. This would provide additional support to the company. Moreover, the government would also provide support in terms of MoUs with major suppliers, so that SFL can compete effectively in the market.

Favourable location of the project

The manufacturing plant is located in Khurda, Odisha, which is an ideal location for an aluminium foil manufacturing plant due to its proximity to bauxite sources and major aluminium producers like NALCO, ensuring a steady raw material supply. The area is part of the Khurda-Bhubaneswar-Cuttack industrial corridor, offering excellent infrastructure, including road, rail, and port connectivity. Odisha's strategic location in eastern India facilitates access to domestic and export markets, with nearby ports like Paradip and Dharma. The region also benefits from a skilled workforce, reliable power supply, and supportive government policies, including tax incentives and subsidies.

Key Rating Weaknesses

Moderate experience of the promoters in the aluminium industry

Though the promoters have long standing presence in the other businesses, aluminum foil is their first project, and they lack requisite experience in its operations. However, they have hired experienced professionals who specialize in this industry.



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Exposed to project execution risk

The company is exposed to project execution risk, with its ability to complete the project within the envisaged cost and timeline being a critical rating factor. The total project cost is estimated at INR 251.60 crore, with 66% funded through term loans and the remaining by promoters in the form of 22% as equity and 12% as unsecured loans. Till October 31, 2024, the promoters have infused INR 30.00 crore as equity and INR 17.85 crore as unsecured loans, while the company has also received bank funding of INR 18.23 crore. The project is approximately 35% complete, leaving a significant portion yet to be executed. The scheduled commercial operation date (SCOD) is targeted for April 2026, highlighting the need for close monitoring of progress to avoid cost or time overruns.

Competitive industry

A highly competitive industry will pose a significant challenge for SFL. Intense competition may lead to price wars, squeezing profit margins and making it difficult to achieve financial sustainability. Established players with economies of scale and advanced technologies can dominate market share, leaving SFL struggling to compete. Additionally, frequent innovations and customer demand for higher-quality or specialized products may require continuous investment in technology upgrades and R&D, increasing operational costs. The competition will make it harder to secure long-term contracts or favourable terms with buyers and suppliers, impacting revenue stability. Overall, the competitive landscape creates a challenging environment for maintaining profitability and growth of SFL.

Analytical Approach: Standalone

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](#)

Liquidity – Adequate



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The company currently has no debt repayment obligations, as its loans are still under the moratorium period. The first repayment is scheduled to begin in Q3FY27 (refers to period 1st April 2026 to 31st March 2027). The company's liquidity profile appears adequate in the medium term, with sufficient projected cash flows to meet its debt obligations. However, the sustainability of these cash flows is contingent on the timely commencement of commercial operations, which are expected to start in April 2026. The company has projected that its gross cash accruals (GCA) for FY27 will be sufficient to cover the related debt repayments.

About the Company

Shri Jay Foils Ltd (SFL), was incorporated on 3rd May 2023 under the companies act 2013 with the object of carrying in the business of manufacturing variety of Packaging Aluminium Foil. The company is in process of installing its manufacturing unit in Khurda, Odisha with annual capacity of 18282MT. This manufacturing unit will have the capacity to produce 6micron, 9micron, 12micron, 20/25micron, and 30/40micron aluminium foils. The company is promoted by Mr. Rohit Poddar, Mr. Piyush Bansal, Mr. Aayush Binay Kumar Jalan.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	-	Audited
Total Operating Income	-	0.00
EBITDA	-	-0.25
PAT	-	-0.28
Total Debt	-	1.85
Tangible Net Worth (Adjusted)	-	24.93
EBITDA Margin (%)	-	Not meaningful
PAT Margin (%)	-	Not meaningful
Overall Gearing Ratio (x) (Adjusted)	-	0.07
Interest Coverage (x)	-	Not meaningful

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Term Loan	Long Term	166.00*	IVR BB-/ Stable	-	-	-
2.	Bank Guarantee	Short Term	11.00^	IVR A4	-	-	-

* Capex LC (USD) – Sub limit of Term Loan of INR 15.70 Cr

*FCNR Term Loan (in USD) – Sub limit of Term Loan of INR 20.00 Cr

^CEL – Sub Limit of Bank Guarantee of INR 3.00 Cr

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

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
Term Loan	-	-	-	March 2035	166.00*	IVR BB-/ Stable
Bank Guarantee	-	-	-	-	11.00^	IVR A4

* Capex LC (USD) – Sub limit of Term Loan of USD 1.57 Cr

*FCNR Term Loan (in USD) – Sub limit of Term Loan of USD 2.00 Cr

^CEL – Sub Limit of Bank Guarantee of INR 3.00 Cr

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-ShriJay-Foils-19dec24.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

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.