SRF Altech Limited (Revised)

January 12, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	650.00 (Enhanced from 250.00)	CARE AA-; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed its rating to bank facilities of SRF Altech Limited (SAL). Ratings continue to factor in strong parentage of the company, as it is a wholly owned subsidiary of SRF Limited (SRF). SAL has been established by SRF to undertake the aluminium foil manufacturing facility in Madhya Pradesh, which would be complementary to the parent's existing line of performance films and foil business (PFB) majorly comprising bi-axially oriented polyethylene terephthalate (BOPET) films and biaxially oriented polypropylene (BOPP) films.

Ratings also factor in strong managerial and operational support it derives from SRF and the parent's stated position to support subsidiary's debt obligations in the form of a letter of support to the banker of SAL. The company received significant funding support in the form of preference share capital, equity share capital and unsecured loans from SRF to undertake the project and manage operations. This is expected to continue going forward as well.

These strengths are partially offset by moderate demand risk marked by nascent stage of operations as FY25 was the first full year of operations with modest utilisation, resulting in losses. Going forward, the company's ability to ramp up the scale of operations while remaining profitable at the operating level will remain critical from credit perspective. Imposition of anti-dumping duty on import of aluminium foils up to 80 microns has provided some relief to the players, although impact was limited, as there was moderation in prices in the market. Anti-dumping duty stance of targeted export countries and India will be a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the credit risk profile of the parent company, SRF.
- Significant ramp-up in the scale of operations such that SAL meaningfully contributes to the turnover and profit before interest, lease rentals, depreciation and taxation (PBILDT) of the parent.

Negative factors

- Deterioration in the credit profile of the parent company, SRF.
- Change in stance on supporting SAL by the parent company.

Analytical approach: Standalone. Ratings factor in strong operational, management and financial linkages with the parent entity (SRF) owing to SAL being a wholly owned subsidiary of SRF and common promoter directors and shared brand name. SRF has provided letter of support to the banker of SAL.

Outlook: Stable

The 'stable' outlook reflects that SAL will continue to derive benefit from the operational synergies and financial flexibility of its strong parent while improving its business profile over the medium-term with ramp up of its operations leading to improved cashflows.

Detailed description of key rating drivers:

Key strengths

Strong parentage, experienced promoter group, and professionally qualified management

SAL is a wholly owned subsidiary of SRF, a diversified conglomerate having presence majorly in chemicals business (CB), PFB and technical textiles business (TTB). SRF has built strong competitive position in majority its area of operations over the years, having clocked consolidated total operating income (TOI) of ₹14,681 crore and PBILDT of ₹2,714 crore in FY25 (refers to April 01 to March 31). In H1FY26 (refers to April 01 to September 30), SRF reported TOI of ₹7,459 crore and PBILDT of ₹1,604 crore. Ashish

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Bharat Ram, the Chairman & Managing Director, and Kartik Bharat Ram, the Joint Managing Director of SRF, both are present on SAL's board, and have extensive industry experience.

FY25 was the first full year of operations for the company. SAL's TOI for FY25 stood at ₹316 crore (FY24: ₹12 crore) at a PBILDT margin of -3.51%, as capacity utilisation stood at modest 41%. In line with the expectations of gradual ramp up in scale, the company achieved a TOI of ₹277 crore (H1FY25: ₹117 crore), at a PBILDT margin of 2.89% (H1FY25: -9.40%). CareEdge Ratings expects SAL to accrue the benefits of its strong parentage (being 100% held by SRF), experienced promoters and management in ramping-up of operations in the medium term. However, timely ramp-up in the scale of operations, leveraging strengths of promoters will remain a key monitorable.

Operational and financial support by the parent

SRF has provided letter of support to the banker of SAL. Further, considering aluminium foil would be a complementary product to BOPP & BOPET and hence, SAL is leveraging existing well-established marketing and distribution network of its parent company. SAL's manufacturing facility in Madhya Pradesh is ~60 kms away from the parent's existing facility.

The parent's support is further demonstrated by infusion of ₹150 crore in the form of preference shares and additional ₹69 crore of unsecured loans from parent entity in FY25, taking the total exposure (including equity shares, preference shares and unsecured loans) of SRF in the company to ₹704 crore as on March 31, 2025. CareEdge Ratings also takes comfort from the management's guidance that going forward, SRF will continue to provide financial and operational support to SAL, as required.

Key weaknesses

Nascent stage of operations

SRF entered a new line of product, which would be complementary to its existing line in PFB segment through aluminium foil manufacturing via SAL. Despite its extensive presence in the PFB segment and leverage of its existing clientele, the company is currently operating at lower capacity utilisation, which is expected to improve from FY27 onwards. Since, the product is new, reaching thinner gauge of aluminium foil as required by export customers is expected to take some time, although the company has seen some traction since it started exports in March 2025. The global aluminium foil industry is intensely competitive, considering ample available production capacity, particularly from China and Southeast Asian nations. However, recent anti-dumping duties imposed by India on aluminium foil imports up to 80 microns from China (provisional duty imposed vide notification dated March 17, 2025, which was replaced by a definitive duty vide notification dated 19 June 2025) provided some relief to players, although the impact was limited, as there was price moderation in the market.

Regulatory risk – Vulnerability to change in anti-dumping duty stance by targeted export countries

SAL is targeting the export sales driven primarily by the anti-dumping duty levied by the economies for imports from China. However, moderation in this stance by these economies may lead to competition from Chinese manufacturers and thus increasing cost competition.

Liquidity: Adequate

SAL is a wholly owned subsidiary of SRF, which has provided letter of support to the lender of SAL. SAL's operations are currently in nascent stage, as such, the company generated negative gross cash accruals (GCA) of ₹29 crore in FY25. The company is expected to close FY26 slightly above break-even and generate positive GCA from FY27 onwards. Free cash and bank balance stood at ~₹11 crore as on March 31, 2025. The company does not have long-term external loans and hence, no external scheduled debt repayments. Currently, the fund based working capital limit utilisation of the company stands at nil.

SAL's liquidity is adequate as it draws comfort from the liquidity profile of SRF, which is strong. SRF infused ₹150 crore into SAL through preference shares and additional ₹69 crores through unsecured loans, which aided SAL's liquidity needs.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria
Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Nonfinancial Sector
Construction
Infrastructure Sector Ratings
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals and mining	Diversified metals	Diversified metals

SAL is a wholly owned subsidiary of SRF, a diversified chemical conglomerate. SRF is currently in CB, PFB, and TTB segments. SRF established SAL to venture into aluminium foil manufacturing. SAL has manufacturing plant for aluminium foil in Jetapur, Madhya Pradesh, with manufacturing capacity of 21,000 metric tonnes per annum.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	12	316	277
PBILDT*	-9	-11	8
Profit after tax (PAT)	-16	-40	-7
Overall gearing (x)#	0.52	0.80	NA
Interest coverage (x)	-1.72	-0.54	0.78

A: Audited UA: Unaudited; NA: Not Available Note: these are latest available financial results
* PBILDT: Profit before interest, lease rentals, depreciation and tax
# For the calculation of overall gearing, total adjusted debt has been considered which includes unsecured loan from parent company, preference shares (both equity and debt component) issued to the parent company and LC acceptances.

Status of non-cooperation with previous CRA: Not applicable
Any other information: Not applicable
Rating history for last three years: Annexure-2
Detailed explanation of covenants of rated instrument / facility: Annexure-3
Complexity level of instruments rated: Annexure-4
Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based/Non-fund-based-LT/ST		-	-	-	650.00	CARE AA-; Stable / CARE A1+

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (30-Dec-24) 2)CARE AA-; Stable (06-Dec-24)	1)CARE AA-; Stable (19-Dec-23)	1)CARE AA-; Stable (02-Dec-22)
2	Fund-based/Non-fund-based-LT/ST	LT/ST	650.00	CARE AA-; Stable / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (30-Dec-24) 2)CARE AA-; Stable / CARE A1+ (06-Dec-24)	-	-

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based/Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated: Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
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