

December 11, 2025 ^(Revised)

Shriji Polymers India Limited: Ratings upgraded to [ICRA]AA-(Stable)/ [ICRA]A1+; Outlook revised to Stable

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund based – Cash credit	121.00	161.00	[ICRA]AA-(Stable); Upgraded from [ICRA]A+(Positive) and Outlook revised to Stable from Positive
Long-term fund based - Term loan	32.28	10.50	[ICRA]AA-(Stable); Upgraded from [ICRA]A+(Positive) and Outlook revised to Stable from Positive
Long-term non fund based - Others	20.00	20.00	[ICRA]AA-(Stable); Upgraded from [ICRA]A+(Positive) and Outlook revised to Stable from Positive
Short-term non-fund based - Others	115.10	85.50	[ICRA]A1+; Upgraded from [ICRA]A1
Total	288.38	277.00	

*Instrument details are provided in Annexure-I

Rationale

The upgrade in the ratings of Shriji Polymers India Limited (SPIL/the company) factors in its increasing scale, improving credit risk profile, and ICRA's expectation that the same would sustain going forward. ICRA notes that SPIL witnessed revenue growth of 8.2% in FY2025, supported by healthy volume expansion in Parekhplast India Limited (PIL). The credit profile remains supported by low leverage despite continued debt-funded capex to expand capacities and capabilities. The ratings further factor in SPIL's healthy market position as a leading domestic supplier of rigid packaging to the pharmaceutical sector, amid high entry barriers due to stringent compliance requirements, its reputed and diversified customer base, and the proximity of many of its plants to its key clients. The extensive experience of the promoters, who have been involved in the packaging industry for more than three decades, provides further comfort.

ICRA also notes the acquisition of Parekhplast India Limited (PIL) by SPIL in November 2022, which has resulted in higher business diversification, coupled with impetus to the company's overall earnings. PIL primarily caters to the paints industry, resulting in further diversification of SPIL's reputed client base at the consolidated level. While the acquisition has led to significant growth in SPIL's scale, as the company witnessed revenue growth of 38.1% in FY2024 (the first full fiscal year of PIL's consolidation into SPIL) and 8.2% in FY2025, the profitability moderated from 27.8% in FY2023 to 25.8% in FY2025 and further to 24.0% in H1 FY2026, given the relatively lower margins of PIL. The company is also diversifying further with an augmentation of its product offerings, such as dosage medical devices and injectable bags.

The ratings also continue to consider SPIL's high working capital intensity on account of the elevated inventory levels required to meet the just-in-time demand of clients. In addition, high receivables, driven by high credit periods offered to customers, also contribute to high working capital intensity. The ratings are further constrained by the high end-user industry concentration as SPIL's majority revenues are driven by its pharmaceuticals clients. The vulnerability of SPIL's profitability to fluctuations in raw material prices further constrains the ratings. The fluctuations in raw material prices are largely linked to global crude prices and foreign exchange movements, as most raw materials are imported and direct exports are limited; that said, most cost escalations are passed on to end consumers with a time lag. Further, SPIL's business is indirectly exposed to regulatory risks in the pharmaceutical sector and the need to maintain manufacturing standards and customer specifications.

The Stable outlook on the long-term rating reflects ICRA's expectation that SPIL will continue expanding its scale of operations, while maintaining healthy profitability and credit metrics. Any major debt addition plans and impact of the same on the entity's credit profile will be a key rating monitorable.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in the rigid packaging industry – The promoters have been involved in the packaging business for more than 30 years through different entities engaged in producing corrugated boxes, polyethylene terephthalate (PET) bottles, high-density polyethylene (HDPE) containers, and polypropylene (PP) caps. The company has demonstrated its ability to maintain quality and thus enjoys established relationships with various reputed pharmaceutical players, which supports its business prospects.

High entry barriers due to stiff compliance requirements – SPIL received the United States Food and Drug Administration (USFDA) approval for Drug Master File (DMF) Type III (Packaging Material) in 2006. The requirements for filing a DMF with the USFDA are stringent and the process is time consuming. Additionally, the company's manufacturing facilities are in proximity to key customers and are required to be regularly audited by them. All these factors create high entry barriers and necessitate sizeable investment in plant and machinery to adhere to USFDA guidelines. PIL also has a long track record of supplying its key clients, with plants located in the vicinity of these customers, which acts as a competitive advantage.

Established relationship with reputed pharmaceutical players; improving customer diversification with addition of key player in paints industry – SPIL was among the first pharmaceutical packaging manufacturers in India to receive DMF Type III approval. Consequently, it had an early-mover advantage and established strong relationships with suppliers and customers. The company has been dealing with various reputed pharmaceutical companies such as Lupin Limited, Dr. Reddy's Laboratories Limited, Glenmark Pharmaceuticals and Sun Pharmaceutical Industries Ltd., for several years and has been continuously diversifying its customer base. Compliance requirements, high-quality standards and strong customer stickiness make it challenging for new players to become part of the existing supply chain in the pharmaceutical export sector within a short time frame. Through the acquisition of PIL, the company added reputed clients such as Asian Paints Limited (APL) and the Aditya Birla Group's paints division (Grasim), resulting in further client and industry diversification. PIL is also adding new clients and gradually increasing its product mix. Apart from this, diversification towards new product lines, including injectable bags and pouches and new medical devices, augurs well for the company going forward.

Comfortable financial risk profile despite moderation in return metrics given acquisition of relatively lower-margin business – SPIL witnessed 8.2% revenue growth to Rs. 835.1 crore in FY2025 and achieved revenues of Rs. 433.0 crore in H1 FY2026, driven by healthy volume expansion in PIL and moderate growth in its pharmaceuticals business owing to reduced orders from key customers due to regulatory actions. SPIL has been maintaining healthy operating profit margins on a standalone basis. However, on a consolidated basis, margins remained stable at 25.8% in FY2025, while the OPM in H1 FY2026 moderated to 24.0% owing to PIL's relatively lower-margin business profile. Despite this, the capital structure remained comfortable, as characterised by gearing of 0.3 times as on March 31, 2025, and the coverage indicators further improved as reflected in TD/OPBDITA of 1.0 times in as on March 31, 2025 from 1.3 times as on March 31, 2024. With improving operating efficiencies on a consolidated basis, SPIL's leverage and coverage indicators are expected to witness gradual improvement going forward.

Credit challenges

Significant exposure towards single end-user industry – On a consolidated level, 66% of the company's revenues are derived from the pharmaceutical industry, resulting in high concentration towards a single end-user industry. However, this risk is mitigated to some extent by the established relationships between SPIL and its customers. In the pharmaceutical segment, clients are less likely to change their vendors quickly, thereby resulting in higher customer stickiness and strong entry barriers.

High working capital intensity due to maintenance of raw material inventory – The company's working capital intensity remained 36-42% over FY2020-FY2023 due to the increase in the inventory holding period and liberal credit terms for customers, which is prevalent in the sector. However, in FY2024, NWC/OI improved to 33.4% from 41.2% in FY2023, largely because of the full-year consolidation of PIL, which operates on a relatively shorter working capital cycle. Nevertheless, WC intensity increased to 36.5% in FY2025 owing to extended credit period offered to customers. SPIL manufactures more than 200 different kinds of bottles and caps for different customers, whose demands are diverse as well as erratic. Additionally, the company maintains higher raw material inventory to reduce supply shock risks, given the imported nature of key components. The associated funding requirement has been largely met through internal accruals owing to healthy cash accruals. Going forward, working capital intensity is expected to remain range-bound.

Exposed to fluctuations in prices of key raw materials – The company remains exposed to raw material price volatility and foreign exchange rate risks. Nonetheless, SPIL typically mitigates these risks by passing on cost increases to end customers. It also uses hedging mechanisms to mitigate volatility in foreign currency for its imports. With PIL's business having a relatively lower margin profile, the company's ability to effectively pass on price increases and manage its cost structure will be a key monitorable.

Pharmaceutical industry exposed to regulatory risks – The pharmaceutical industry, SPIL's key end-user industry, is exposed to regulatory risks in developed markets, related to patent challenges, product launches, and manufacturing processes. SPIL falls under the USFDA DMF's Type III category, where only customer approvals are required, and the company has not faced any challenges during customer audits to date. SPIL's ability to maintain global manufacturing standards and meet customer specifications remains crucial.

Liquidity position: Strong

SPIL's liquidity position is strong, with average cushion in limits at the standalone level of Rs. 77 crore during the 12 months ending August 2025. Liquidity is further supported by free cash balances of Rs. 27.0 crore as on September 30, 2025, at the consolidated level. Debt repayments at the consolidated level is Rs. 21.7 crore for FY2026 and Rs. 17.5 crore for FY2027. SPIL is expected to generate sufficient cash flows from operations to meet its working capital requirements and repay its term debt in a timely manner. While the company has moderate capex plans of Rs. 70-80 crore at the consolidated level, these are expected to be funded through a mix of internal accruals and term debt.

Rating sensitivities

Positive factors – ICRA could upgrade the long-term rating if there is a sustained increase in SPIL's revenues and earnings, resulting in an improved credit and liquidity profile on a sustained basis.

Negative factors – Pressure on SPIL's ratings could arise if there is a material decline in earnings, or if higher-than-anticipated debt-funded capex results in a leveraged capital structure and a moderation in debt coverage indicators on a sustained basis. Additionally, total debt/OPBDIT of more than 1.2 times on a sustained basis could result in ratings downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SPIL. The list of consolidated companies are enlisted in Annexure-II.

About the company

SPIL manufactures high-density polyethylene (HDPE) containers/ bottles and polypropylene (PP) caps/ closures for packaging pharmaceutical products, which are exported primarily to regulated markets such as the US, Canada and China by the company's clients. SPIL is a Drug Master Files (DMF) holder of the USFDA, Canadian FDA and Chinese FDA. It is an ISO (15378, 9001 & 13485) certified pharma packaging company. On a consolidated level (excluding PIL), the company's manufacturing facilities are located in Ujjain (Madhya Pradesh), Pithampur SEZ (Madhya Pradesh), Ahmedabad (Gujarat), Goa, Hyderabad (Telangana), Baddi (Himachal Pradesh), China and USA with a combined annual plant capacity of 23,364 MTPA as on March 31, 2025.

In December 2022, SPIL acquired 77% in PIL and further acquired the remaining stake in November 2023. PIL is also a rigid packaging manufacturer, and is catering to paints industry, followed by foods, pharmaceuticals etc.

Key financial indicators (audited)

SPIL Consolidated	FY2024	FY2025	H1 FY2026*
Operating income	772.1	835.1	433.0
PAT	80.2	91.8	50.4
OPBDIT/OI	25.9%	25.8%	24.0%
PAT/OI	10.4%	11.0%	11.6%
Total outside liabilities/Tangible net worth (times)	0.6	0.5	0.4
Total debt/OPBDIT (times)	1.3	1.0	0.9
Interest coverage (times)	7.1	8.8	10.5

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

Current (FY2026)				Chronology of rating history for the past 3 years					
Instrument	Type	Amount Rated (Rs. crore)	Dec 11, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Cash credit	Long Term	161.00	[ICRA]AA-(Stable)	Nov 19, 2024	[ICRA]A+(Positive)	Oct 09, 2023	[ICRA]A+(Stable)	Dec 19, 2022	[ICRA]A+(Stable)
								Jul 28, 2022	[ICRA]A+(Stable)
Term Loans	Long Term	10.50	[ICRA]AA-(Stable)	Nov 19, 2024	[ICRA]A+(Positive)	Oct 09, 2023	[ICRA]A+(Stable)	Dec 19, 2022	[ICRA]A+(Stable)
								Jul 28, 2022	[ICRA]A+(Stable)
Non-fund-based facilities	Long Term	20.00	[ICRA]AA-(Stable)	Nov 19, 2024	[ICRA]A+(Positive)	Oct 09, 2023	[ICRA]A+(Stable)	Dec 19, 2022	[ICRA]A+(Stable)
								Jul 28, 2022	[ICRA]A+(Stable)
Non-fund Based facilities	Short Term	85.50	[ICRA]A1+	Nov 19, 2024	[ICRA]A1	Oct 09, 2023	[ICRA]A1	Dec 19, 2022	[ICRA]A1
								Jul 28, 2022	[ICRA]A1
Unallocated	Long Term/ Short Term	-	-	-	-	-	-	Dec 19, 2022	[ICRA]A+(Stable)/ [ICRA]A1
								Jul 28, 2022	[ICRA]A+(Stable)/ [ICRA]A1

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term fund based – Cash credit	Simple
Long term fund based - Term loan	Simple
Long Term Non Fund Based – Others	Very simple
Short Term Non Fund Based – Others	Very 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	-	-	-	161.00	[ICRA]AA- (Stable)
NA	Term loans	FY2014	NA	FY2030	10.50	[ICRA]AA- (Stable)
NA	Non fund-based facilities	-	-	-	20.00	[ICRA]AA- (Stable)
NA	Non-fund Based facilities	-	-	-	85.50	[ICRA]A1+

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Direct Subsidiary		
Four M Propack Private Limited	100.00%	Full Consolidation
Shriji Polymers LLC	96.57%^	Full Consolidation
Parekhplast India Limited	100.00%	Full Consolidation
Shriji Polymers Medical Devices Private Limited	100.00%	Full Consolidation
Joint Venture		
Shriji Polymers (Hubei) Limited	49.00%	Proportionate Consolidation

Source: Company; ^remaining 3.43% through subsidiary Four M Propack Private Limited

Corrigendum

Rationale dated December 11, 2025, has been corrected with revisions as detailed below:
PAT for FY2025 has been updated in the Key financial indicators table to 'Rs. 91.8 crore'

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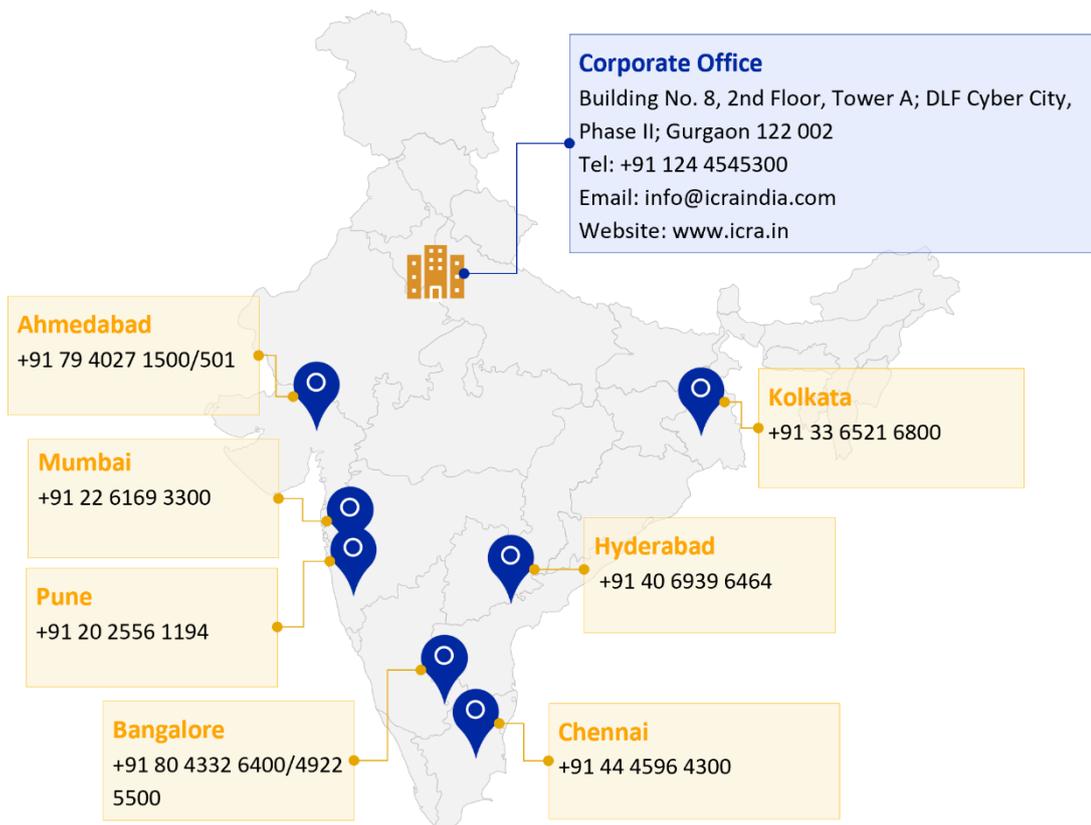
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