

March 27, 2026

## TPAC Packaging India Private Limited: [ICRA]A(Stable)/[ICRA]A1; assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term Fund based Term loan	44.90	[ICRA]A(Stable); assigned
Long-Term/Short Term – Fund Based – Working Capital facilities	139.50	[ICRA]A(Stable)/[ICRA]A1; assigned
Long-term / Short Term unallocated	0.60	[ICRA]A(Stable)/[ICRA]A1; assigned
<b>Total</b>	<b>185.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

While arriving at the ratings, ICRA has taken a consolidated view of TPAC Packaging India Private Limited (TPAC Packaging) and its subsidiaries, TPAC Skypet India Private Limited (TPAC Skypet) and TPAC Custom Solutions Private Limited (TPAC Custom), given the strong operational and financial linkages and common management.

The ratings assigned factor in the TPAC Packaging's established position in the rigid plastic packaging segment in India, supported by its diversified product portfolio and integrated manufacturing capabilities, given its in-house capabilities for manufacturing polyethylene terephthalate (PET) and polypropylene (PP) preforms, bottles, jars and caps. It is engaged in design and development of products with its clients, which enhances customer retention. Moreover, it caters to customers across multiple end-user industries including food, FMCG, pharmaceuticals, and alcoholic and non-alcoholic beverages, mitigating the impact of demand fluctuations in select industries.

The company's revenues rose at a healthy pace over the years with a compounded annual growth rate (CAGR) of 15% for the period FY2022-25, driven primarily by volume growth across food & FMCG, beverages, liquor and pharmaceutical segments, despite muted realisations. In 9M FY2026, revenue increase remained moderate, in spite of a healthy volume growth owing to a decline in realisations following softening of PET and PP resin prices, which were passed on to the customers. The company is expected to record a healthy revenue growth in mid-to-high single digits, going forward, on the back of diversified end-user demand across FMCG, food and beverages and pharmaceutical segments. TPAC Packaging has maintained stable operating margins of 13-14%, supported by operating leverage benefits and its ability to pass on the raw material price movements to customers, albeit with a limited time lag. ICRA expects margins to remain range-bound, going forward. The company's capital structure has been comfortable with Total Debt/OPBDITA of around 2.0 times as on March 31, 2025 while DSCR moderated to 1.9 times in FY2025 owing to debt-funded capex in the previous two years. Its capital structure and debt metrics are expected to improve, going forward, on the back of expected increase in earnings and limited debt-funded capex.

TPAC Packaging's profitability remains exposed to fluctuations in raw material prices, which are largely linked to global crude oil prices and foreign exchange movements, as a major portion of the raw materials is imported. While the company is generally able to pass on the increase in input costs to customers, the same is subject to some time lag. Further, TPAC's operations are indirectly exposed to regulatory risks in end-user industries such as food and pharmaceuticals, along with the need to consistently comply with stringent quality, safety, and customer-specific manufacturing standards.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will continue to record a steady growth in revenues and earnings, supported by sustained demand from core end-user industries.

## Key rating drivers and their description

### Credit strengths

**Extensive experience in the rigid packaging industry** – The company is a part of Thai Plaspac Public Company Ltd. (TPPCL), a Thailand-based rigid plastic packaging company, incorporated in 1983, with an extensive operating track record in the segment. Over the decades, TPPCL has developed strong capabilities across product design, in-house mould development and large-scale manufacturing, enabling it to cater to diversified end-user industries such as FMCG, food and beverages, pharmaceuticals and personal care.

**Reputed customer base** – TPAC Packaging benefits from a well-established and diversified customer base comprising leading FMCG, food, pharmaceutical, beverage and liquor companies. TPAC Packaging caters to several large and reputed clients, including Gujarat Cooperative Milk Marketing Federation Ltd. (Amul Group), Parle Biscuits Private Limited, Everest Food Products Private Limited (Everest Group) and G.M. Breweries Limited. Long relationships with key customers, repeat orders and co-development of customised moulds and packaging solutions with its clients support volume visibility and customer retention.

**Adequate financial profile** – The company's financial profile is adequate, characterised by stable operating margins, moderate leverage and comfortable debt coverage indicators. As on March 31, 2025, despite some moderation in profitability owing to continued capex and ramp-up of recently added capacities, TPAC Packaging maintained an adequate capital structure, with a gearing of around 0.5 times, TD/OPBDITA of about 2.0 times and DSCR of 1.9 times. Going forward, leverage and coverage indicators are expected to improve gradually, supported by stable margins, improving earnings and limited debt-funded capex.

### Credit challenges

**Margins exposed to fluctuations in prices of key raw materials** – TPAC Packaging's margins are exposed to volatility in prices of key raw materials, primarily PET and PP resins, which are crude-oil derivatives. Any sharp movement in resin prices, driven by global crude oil trends or geopolitical factors, can temporarily impact margins due to a lag in pass-through to the customers. Resin prices are expected to increase given the sharp spike in crude prices since March 2026 owing to West Asia conflict. However, ICRA notes that the company largely operates on a conversion margin-based pricing mechanism and has been able to pass on the same to its customers in the past.

**High supplier concentration** – The company's supplier concentration is high with the top supplier accounting for 85-90% of its purchases in the last 5 years, exposing it to the risk of supply disruptions in case of force majeure events. Nevertheless, the availability of alternative sourcing options, including imports and procurement from other manufacturers, provides partial risk mitigation, as reflected in the reduction in top supplier concentration to around 70% in 9M FY2026.

**Intense competition in a fragmented industry** – The company operates in a highly competitive and fragmented rigid plastic packaging industry, characterised by the presence of several large, organised players as well as numerous regional and unorganised manufacturers. The competitive market results in pricing pressure, limited bargaining power and low differentiation for commoditised products such as standard PET preforms and bottles. Competition is particularly intense in high-volume segments, where customers frequently negotiate prices and award contracts through short-tenure tenders. However, TPAC's diversified product portfolio with customised solutions, integrated bottle-and-cap offerings and long relationships with large FMCG and pharmaceutical customers, mitigates this risk to an extent.

## Liquidity position: Adequate

The company's liquidity is Adequate with expected retained cash flows of Rs. 85-90 crore in FY2027 and a buffer of around Rs. 100 crore in its working capital limits as of December 2025, against repayment obligations of around Rs. 41 crore in FY2027. The company is expected to incur regular maintenance capex, which will be funded through internal accruals.

## Rating sensitivities

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

**Negative factors** – Pressure on the ratings could arise if there is a material decline in earnings, or if higher-than-anticipated debt-funded capex/acquisition results in a leveraged capital structure and a moderation in debt coverage indicators on a sustained basis. Additionally, DSCR of less than 2.0 times on a sustained basis could result in ratings downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has taken a consolidated view of TPAC Packaging, TPAC Skypet and TPAC Custom Solution, given the strong operational and financial linkages and common management.

## About the company

TPAC Packaging India Private Limited (TPAC Packaging), incorporated in October 2017, is a wholly-owned subsidiary of Thai Plaspac Public Company Limited (TPPCL), a Thailand-based rigid plastic packaging company listed on the Stock Exchange of Thailand. TPAC Packaging commenced its operations by acquiring Sunrise Containers Limited in August 2018 and is engaged in the manufacturing of rigid plastic packaging products, primarily PET and PP preform, bottles, jars and related products, catering to diversified end-user segments including FMCG, pharmaceuticals, beverages and liquor. The company operates multiple manufacturing facilities across Umbergaon and Silvassa in western India, Haridwar in northern India and Coimbatore in southern India, equipped with injection moulding, injection stretch blow moulding and blow moulding technologies.

TPAC has two subsidiaries, namely TPAC Skypet India Private Limited (TPAC Skypet) and TPAC Custom Solutions Private Limited (TPAC Custom). TPAC Skypet was incorporated in December 2021 and started its operations by acquiring the business of a partnership entity, Skypet Polymers, on a slump sale basis. TPAC Packaging holds a 80% stake in TPAC Skypet while 20% stake is held by Mr. Subbu Selvaraj, who was the erstwhile partner of Skypet Polymers. TPAC Skypet is engaged in manufacturing of PET preforms and bottles and operates three manufacturing facilities located in the southern region of India.

TPAC Custom Solutions Private Limited (TPAC Custom) is a wholly-owned subsidiary of TPAC Packaging, incorporated in August 2022, to manufacture caps, closures and specialised dispensing solutions, including inner plugs and customised components, enabling the TPAC Packaging to offer an integrated rigid packaging solution to its customers.

### Key financial indicators (audited)

TPAC Packaging (consolidated)	FY2024	FY2025
Operating income	728.0	822.5
PAT	29.8	20.5
OPBDIT/OI	13.5%	12.3%
PAT/OI	4.1%	2.5%
Total outside liabilities/Tangible net worth (times)	0.8	0.8
Total debt/OPBDIT (times)	2.2	2.0
Interest coverage (times)	6.4	5.5

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

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

**Any other information: None**

### Rating history for past three years

Current ratings (FY2026)				Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	Mar 27, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based Term loan	Long-term	44.90	[ICRA]A(Stable)	-	-	-	-	-	-
Fund Based – Working Capital facilities	Long-Term/Short Term	139.50	[ICRA]A(Stable)/[ICRA]A1	-	-	-	-	-	-
unallocated	Long-term / Short Term	0.60	[ICRA]A(Stable)/[ICRA]A1	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund based Term loan	Simple
Long-Term/Short Term – Fund Based – Working Capital facilities	Simple
Long-term / Short Term unallocated	Not applicable

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	Fund based Term loan	NA	7.15%	FY2030	44.90	[ICRA]A(Stable)
NA	Fund based – Working capital facilities	NA	NA	NA	139.50	[ICRA]A(Stable)/[ICRA]A1
NA	Unallocated	NA	NA	NA	0.60	[ICRA]A(Stable)/[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	TPAC Packaging ownership	Consolidation approach
TPAC Packaging India Private Limited	Rated entity	Full consolidation
TPAC Skypet India Private Limited	79.99%	Full consolidation
TPAC Custom Solutions Private Limited	100.00%	Full consolidation

Source: Company

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### Branches



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