

April 9, 2026

## Canpac Trends Pvt. Ltd.: Ratings reaffirmed; outlook revised to Positive; rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term Loans	165.00	232.90	[ICRA]BBB+ (Positive); reaffirmed/ assigned for enhanced amount and outlook revised to Positive from Stable
Long-term – Fund-based – Working Capital Facilities	98.00	135.00	[ICRA]BBB+ (Positive); reaffirmed/ assigned for enhanced amount and outlook revised to Positive from Stable
Short-term – Non-fund Based Facilities	30.37	40.00	[ICRA]A2; reaffirmed/ assigned for enhanced amount
<b>Total</b>	<b>293.37</b>	<b>407.90</b>	

\*Instrument details are provided in Annexure I

### Rationale

The revision in the outlook on the long-term rating to Positive reflects the expected improvement in Canpac Trends Pvt. Ltd.'s (CTPL) credit profile, driven by a healthy scale-up in revenues and earnings, supported by robust demand across key packaging segments and the ramp-up of recent capacity additions and acquisitions. In FY2025, the company acquired Saptagiri Packagings Private Limited, which is engaged in blister backer cards and folding cartons, and Shriram Veritech Solutions Pvt. Ltd. in FY2026, which manufactures security holograms and holographic labels. These acquisitions have diversified the company's product profile and are expected to support its growth over the next 12 months. CTPL's revenues grew by around 42% YoY in 9M FY2026 and 21% in FY2025, driven by strong volume growth across multiple product segments led by demand from various customer segments, a meaningful ramp-up at the newly commissioned Hyderabad and Delhi NCR facilities, as well as inorganic acquisitions. CTPL is expected to record strong revenue growth of over 30% in FY2027, supported by improved capacity utilisation at its recently added plants and a full-year contribution from the acquired entities. The company's operating margin is expected to remain healthy at 15–16%, going forward.

The ratings continue to draw comfort from CTPL's established track record in the packaging industry, its diversified product portfolio encompassing folding cartons, paper bags, corrugated cartons, flexible packaging, and security holograms, and its enduring relationships with reputed customers across food/quick service restaurants (QSR), quick commerce, fast moving consumer goods (FMCG), apparel, and industrial sectors. The company has significantly expanded its manufacturing footprint through both organic expansions and acquisitions, enhancing its geographic reach and customer proximity. CTPL is estimated to have invested Rs. 270–280 crore in organic and inorganic expansions in FY2025 and FY2026, partly funded through an equity infusion of Rs. 117 crore from Investcorp in FY2025. The equity infusion augmented the company's net worth and supported its liquidity. However, debt-funded acquisitions have led to a moderation in debt metrics, with total debt to OPBITDA expected to be above 2.5 times and the debt service coverage ratio (DSCR) at around 1.5-1.6 times in FY2026. Improvement in earnings, led by stabilisation of newly added capacities and ramp-up of the acquired entities, remains critical for improvement in debt metrics.

The ratings, however, remain constrained by CTPL's presence in a highly competitive and fragmented packaging industry, which limits pricing flexibility, and the working-capital-intensive nature of its operations. Profitability also remains exposed to volatility in raw material prices, although this is passed through to the customer with a time lag.

## Key rating drivers and their description

### Credit strengths

**Established presence and extensive experience of promoters in the packaging industry** – CTPL’s promoters have extensive experience of over two decades in trading and outsourced manufacturing of paper and packaging products before venturing into manufacturing of packaging materials. CTPL commenced manufacturing from October 2011 and has significantly scaled up its operations over the years with expansion of its capacity and portfolio.

**Diversified product portfolio and established relationships with reputed customers** – The company started its commercial operations by manufacturing folding cartons and corrugated boxes. The company also forayed into flexible packaging, paper bags and luxury packaging to offer comprehensive packaging solutions to its clientele. Further, CTPL expanded its product portfolio through inorganic initiatives, with the acquisition of Saptagiri Packagings enabling entry into blister cards, and the acquisition of Shriram Veritech adding security labels, holograms, scratch labels and other authentication and track-and-trace solutions. The enhanced and diversified product portfolio has enabled CTPL to on-board reputed clients across diverse industries such as food, FMCG, automotive, dairy, pharmaceuticals, textiles and retail. Established relationships with its customers ensure repeat business and provide revenue stability.

**Equity infusion supported capacity additions and acquisitions** – CTPL raised Rs. 117 crore of equity from Investcorp in FY2025, which was utilised towards both organic and inorganic expansion initiatives. The company added new manufacturing facilities in Hyderabad and Delhi NCR, which commenced operations from Q1 FY2026. It also acquired Saptagiri Packagings in FY2025 and Shriram Veritech in FY2026, which are expected to augment scale, revenues, and earnings over the medium term. CTPL is estimated to have invested Rs. 270–280 crore in organic and inorganic expansions during FY2025 and FY2026, partly funded through equity infusion. The company has also drawn down Rs. 140–150 crore of debt, while the balance has been funded through internal accruals.

### Credit challenges

**Relatively moderate scale of operations** – Although the company’s revenues grew at a healthy estimated CAGR of around 19–20% over the last five years ending FY2026, its scale of operations continues to remain moderate in absolute terms relative to the size of the packaging industry, resulting in limited economies of scale. Nevertheless, CTPL’s scale of operations is expected to improve significantly, with strong revenue growth of over 30% in FY2027, supported by the ramp-up of capacities additions and consolidation of recent acquisitions. ICRA notes that the company’s total debt increased to Rs. 192 crore as on December 31, 2025, from Rs. 146.4 crore as on March 31, 2025, largely on account of debt-funded acquisitions. This is expected to result in moderation in debt metrics, with total debt/OPBITDA of over 2.5 times and DSCR of around 1.5–1.6 times in FY2026. The company’s ability to successfully scale up operations while maintaining healthy margins will remain critical for improving its debt metrics.

**Susceptibility of profitability to volatile raw material prices and forex fluctuations** – CTPL’s major raw materials include paper, duplex sheets and laminate films, which comprise 60–65% of the total manufacturing cost. The prices of raw materials have remained volatile over the years, thus, any adverse movement in the input prices exposes the profitability to volatility. Although, the company has been able to pass on the price rise in the past, its ability to continue to do so, going forward, will be a key factor for maintaining its profitability metrics.

**Presence in competitive and fragmented packaging industry** – The business environment is competitive, given the fragmented and unorganised structure of the packaging industry. A large portion of the industry is serviced by unorganised players, which cater to small-scale requirements of clients across the industries, while the remaining market is dominated by a few major players. This limits the company’s pricing flexibility and, thereby, exerts pressure on its profitability. However, CTPL’s diverse product profile and its established client relationships mitigate the risk to some extent.

## Liquidity position: Adequate

CTPL's liquidity position is adequate, supported by steady cash flow generation and unutilised working capital limits of Rs. 22 crore as on November 30, 2025. The retained cash flows are expected to be around Rs. 30-35 crore in FY2027. The working capital utilisation stood at an average of 41% against the drawing power for the 12 months ending in November 2025. Further, the company has undrawn term loan of around Rs. 37 crore as on December 31, 2025, sanctioned for inorganic expansions and reimbursement of capex. Against this, CTPL is expected to incur capex of Rs. 30-40 crore over the next 12 months and has debt repayment obligations of Rs. 26-27 crore in FY2027.

## Rating sensitivities

**Positive factors** – ICRA could upgrade CTPL's ratings if it demonstrates a sustained improvement in its scale of operations and earnings, driven by higher capacity utilisation of the newly added capacity and integration of the acquired entities, resulting in improvement in profitability and debt protection metrics.

**Negative factors** – ICRA could downgrade CTPL's ratings if there is a material delay in ramp-up of sales from the newly added capacity or challenges faced in integrating the recent acquisitions, leading to sustained pressure on profitability and debt protection metrics. A stretched working capital cycle, impacting the liquidity position would also be a negative rating trigger. Specific credit metrics that could lead to ratings downgrade include DSCR of less than 1.5 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of the company.

## About the company

Ahmedabad-based Canpac Trends Pvt. Ltd., promoted by the Todi family, commenced operations from 2011. The company manufactures packaging materials, including printed folded cartons (mono cartons) and micro-flute cartons (corrugated), using offset printing technology. In FY2019, CTPL diversified into flexible packaging products, including laminates based on gravure printing technology, paper bags and luxury packaging, thereby expanding its product offerings. The company's end-products cater to a wide range of industries, such as FMCG, pharmaceuticals, dairy, textiles and food. In FY2022, to strengthen its presence in East India, CTPL acquired the customer base of a Kolkata-based packaging entity with an operating track record of around two decades. Subsequently, the company set up two new manufacturing lines 1 for folding cartons in Kolkata in FY2023 and 1 for paper bags in Ahmedabad. In FY2026, CTPL expanded its manufacturing footprint with the addition of new plants in Hyderabad and Delhi NCR, which became operational in Q1 FY2026. In FY2025, the company acquired a Silvassa-based entity, which manufactures folded cartons and blister packs, as well as Shriram Veritech in FY2026, which manufactures security labels, holograms, scratch labels and other authentication and track-and-trace solutions.

### Key financial indicators (audited)

CTPL (Consolidated)	FY2024	FY2025
Operating income	332.4	402.3
PAT	9.5	14.5
OPBDIT/OI	15.4%	15.6%
PAT/OI	2.8%	3.6%
Total outside liabilities/Tangible net worth (times)	1.4	0.8
Total debt/OPBDIT (times)	3.4	2.3
Interest coverage (times)	3.2	4.5

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

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	09-Apr-2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Long term-term loan-fund based	Long Term	232.90	[ICRA]BBB+ (Positive)	-	-	28-Feb-2025	[ICRA]BBB+ (Stable)	29-Nov-2023	[ICRA]BBB (Positive)
				-	-	-	-	-	-
Long Term – Fund Based - Working Capital Facilities	Long Term	135.00	[ICRA]BBB+ (Positive)	-	-	28-Feb-2025	[ICRA]BBB+ (Stable)	-	-
Short Term – Non Fund-Based Facilities	Short Term	40.00	[ICRA]A2	-	-	28-Feb-2025	[ICRA]A2	-	-
Short term-others-interchangeable	Short Term	-	-	-	-	-	-	29-Nov-2023	[ICRA]A3+
				-	-	-	-	-	-
Long term-cash credit-fund based	Long Term	-	-	-	-	-	-	29-Nov-2023	[ICRA]BBB (Positive)
				-	-	-	-	-	-
Short term-others-non fund based	Short Term	-	-	-	-	-	-	29-Nov-2023	[ICRA]A3+
				-	-	-	-	-	-
Long term-others-interchangeable	Long Term	-	-	-	-	-	-	29-Nov-2023	[ICRA]BBB (Positive)
				-	-	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term – Fund Based – Term Loans	Simple
Long Term – Fund Based - Working Capital Facilities	Simple
Short Term – Non Fund-Based Facilities	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	Term loans	FY2018-2022	NA	FY2027-2030	232.90	[ICRA]BBB+(Positive)
NA	Working capital facilities	NA	NA	NA	135.00	[ICRA]BBB+(Positive)
NA	Non Fund-Based Facilities	NA	NA	NA	40.00	[ICRA]A2

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
Sweetdisp Private Limited	100.00%	Full consolidation
Altpac Private Limited	100.00%	Full consolidation

Source: CTPL

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