

May 21, 2026

Epack Petrochem Solutions Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund-based – Cash credit	20.00	20.00	[ICRA]BBB- (Stable); reaffirmed
Long term – Fund-based – Term loans	68.58	68.58	[ICRA]BBB- (Stable); reaffirmed
Short term – Non-fund based – Letter of credit	35.00	35.00	[ICRA]A3; reaffirmed
Short term – Non-fund based – Letter of credit – Interchangeable [^]	(9.00)	(9.00)	[ICRA]A3; reaffirmed
Long term/ Short term – Unallocated	16.06	16.06	[ICRA]BBB- (Stable)/ [ICRA]A3; reaffirmed
Total	139.64	139.64	

*Instrument details are provided in Annexure II; [^]sublimit of cash credit

Rationale

The ratings reaffirmation for Epack Petrochem Solutions Private Limited (Epack Petrochem) factors in the extensive experience of over two decades of its promoters in the expanded polystyrene (EPS) packaging business and the Epack group's backward integration into manufacturing EPS resin beads (key raw material for manufacturing EPS foam) in Epack Petrochem. The ratings also take into account the offtake arrangement with the Group companies, Epack Prefab Technologies Limited (Epack Prefab¹) and East India Technologies Private Limited (East India²), which together have an established presence of more than two decades in the EPS packaging business. ICRA also notes that Epack Petrochem has onboarded additional customers (across consumer durable and Pre-Engineered Buildings; PEB industries) and created international presence through exports, enabling a healthy ramp-up in operations, with estimated revenue at Rs. 355 crore in the first full year of operations. ICRA expects the company to maintain the growth momentum in the current fiscal aided by ramp-up of production volumes and in increase in average realisations on the back of favourable demand outlook for the industry.

The ratings, however, are constrained by the company's limited track record operations and the moderate debt protection metrics, given the recent large debt-funded capital expenditure (capex) for setting up the manufacturing facility. The ratings also factor in the high competitive intensity of the industry, limiting pricing flexibility to some extent. Epack Petrochem's profitability is also vulnerable to fluctuation in raw material prices and foreign exchange rates, given the elevated dependence on imports for sourcing a key raw material – styrene (a crude derivative). This has been further exacerbated due to the ongoing West Asia crisis, and thus the company's ability to sustain its profit margins during the current fiscal will remain a key monitorable.

The Stable outlook on the long-term rating reflects ICRA's opinion that Epack Petrochem will report healthy growth in revenue and earnings over the near term, leading to an improvement in its credit metrics.

¹ Rated at [ICRA]A+ (Stable)/ [ICRA]A1

² Rated at [ICRA]BBB- (Stable)/ [ICRA]A3

Key rating drivers and their description

Credit strengths

Established operational track record of Group and extensive experience of promoters in EPS packing industry – The promoters and their families have been involved in the EPS packaging business for more than two decades. Epack Prefab and East India have established market and customer bases. The company has been supplying EPS packaging materials to reputed customers in the consumer durables industry.

Steady offtake from group companies provides revenue visibility – The company has about 48,000 metric tons (MT) of annual production capacity of EPS resin beads. Epack Prefab and East India have been procuring EPS resin beads from other domestic suppliers and are now procuring the same from Epack Petrochem, ensuring healthy revenue visibility.

Favourable demand outlook for EPS packaging industry – EPS packaging industry's demand outlook is favourable, which is closely linked with the growth of the consumer durable industry, the largest consumer of EPS packaging materials. Epack Prefab and East India have a strong client base comprising all the key original equipment manufacturers (OEMs) in the consumer durable industry, including LG Electronics India Private Limited, Samsung India Electronics Private Limited, Daikin Airconditioning India Private Limited, reflecting its ability to cater to large customers in the segment. Further, the company is also supplying EPS resin beads to the PEB industry as packaging material for insulation panels, which provides diversification and reduces dependence on the consumer durables segment.

Credit challenges

Limited track record of operations – FY2026 was the first full year of operations for the company, thereby limiting the visibility of the operational track record across business cycles. However, it reported healthy ramp-up with estimated revenue of around Rs. 355 crore. Going forward, the extensive experience of the promoter group in the EPS business and other industries such as consumer durables and prefabricated panels are anticipated to support further ramp-up and operational stabilisation for the company.

Intense competition in industry – The EPS industry is intensely competitive due to various organised and numerous unorganised players in the field. However, the Group's strong position as a leading EPS supplier to many reputed OEMs acts as an entry barrier.

Profitability vulnerable to raw material price fluctuations – The profitability is vulnerable to fluctuation in raw material prices, in case of any sharp movement in input prices within a short period. Epack Petrochem passes on increased input costs to customers, although with a time lag. The selling price and raw material prices are closely monitored by customers.

Liquidity position: Adequate

Epack Petrochem's liquidity position is Adequate, supported by improvement in cash flows from operations, free cash of around Rs. 15 crore and undrawn working capital lines of Rs. 10 crore as on April 7, 2026. The company does not have any major large debt-funded capex plans and has repayment liability of Rs. 15-18 crore over FY2027 – FY2028, which are expected to be adequately funded through cash flow generation.

Rating sensitivities

Positive factors – The ratings could be upgraded in case of a healthy ramp-up in revenues and earnings of the company, along with improvement of the liquidity position on a sustained basis. Specific credit metrics for ratings upgrade include interest coverage of over 3.0 times on a sustained basis.

Negative factors – The ratings may face downward pressure in the event of a material moderation in revenue and profitability due to demand weakness and/or volatility in raw material prices. Further, any sizeable debt-funded capex or elongation in the working capital cycle, resulting in a weakening of credit metrics, could also cause a ratings downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Epack Petrochem is part of the Noida-based Epack Group and operates a manufacturing facility in Dahej, Gujarat, where it commenced commercial production in October 2024. The company manufactures EPS resin beads, a key raw material used in the production of EPS thermocol packaging products.

The company's promoters also have interests in Epack Durable Limited (EDL), which manufactures room air conditioners, induction cooktops, juicer-mixer-grinders, water coolers and water dispensers for leading brands, such as Voltas, Havells, Godrej, Whirlpool, Haier, Blue Star, Philips, and Bajaj. Epack Prefab is involved in the manufacturing of EPS thermocol products and prefabricated structures. Another Group company, East India also manufactures EPS and electronic parts for customers such as Samsung, Whirlpool, Schneider Electric and Panasonic.

Key financial indicators (audited)

Epac Petrochem (standalone)	FY2024	FY2025
Operating income (OI)	-	103.6
PAT	(0.1)	3.1
OPBDIT/OI	-	10.0%
PAT/OI	-	3.0%
Total outside liabilities/Tangible net worth (times)	14.6	6.4
Total debt/OPBDIT (times)	(909.1)	8.0
Interest coverage (times)	(167.8)	3.2

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	FY2027		FY2026		FY2025		FY2024	
		Amount rated (Rs. crore)	May 21, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash credit	Long term	20.00	[ICRA]BBB-(Stable)	-	-	Feb 04, 2025	[ICRA]BBB-(Stable)	-	-
Unallocated limits	Long term/ Short term	16.06	[ICRA]BBB-(Stable)/ [ICRA]A3	-	-	Feb 04, 2025	[ICRA]BBB-(Stable)/ [ICRA]A3	-	-
Fund-based – Term loan	Long term	68.58	[ICRA]BBB-(Stable)	-	-	Feb 04, 2025	[ICRA]BBB-(Stable)	-	-
Interchangeable limits – Letter of credit	Short term	(9.00)	[ICRA]A3	-	-	Feb 04, 2025	[ICRA]A3	-	-
Non-fund based – Letter of credit	Short term	35.00	[ICRA]A3	-	-	Feb 04, 2025	[ICRA]A3	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under regulatory purview of various FSR as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based – Cash credit	Simple
Long term – Fund-based – Term loans	Simple
Short term – Non-fund based – Letter of credit	Simple
Short term – Non-fund based – Letter of credit – Interchangeable	Simple
Long term/ Short term - Unallocated Limits	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	NA	NA	NA	20.00	[ICRA]BBB- (Stable)
NA	Term loans	Mar 2024	8.75% - 9.20%	Sep 2030	68.58	[ICRA]BBB- (Stable)
NA	Letter of credit	NA	NA	NA	35.00	[ICRA]A3

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Letter of credit (Interchangeable)	NA	NA	NA	(9.00)	[ICRA]A3
NA	Unallocated	NA	NA	NA	16.06	[ICRA]BBB- (Stable)/ [ICRA]A3

Source: Company

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

Annexure III: List of entities considered for consolidated analysis: Not applicable

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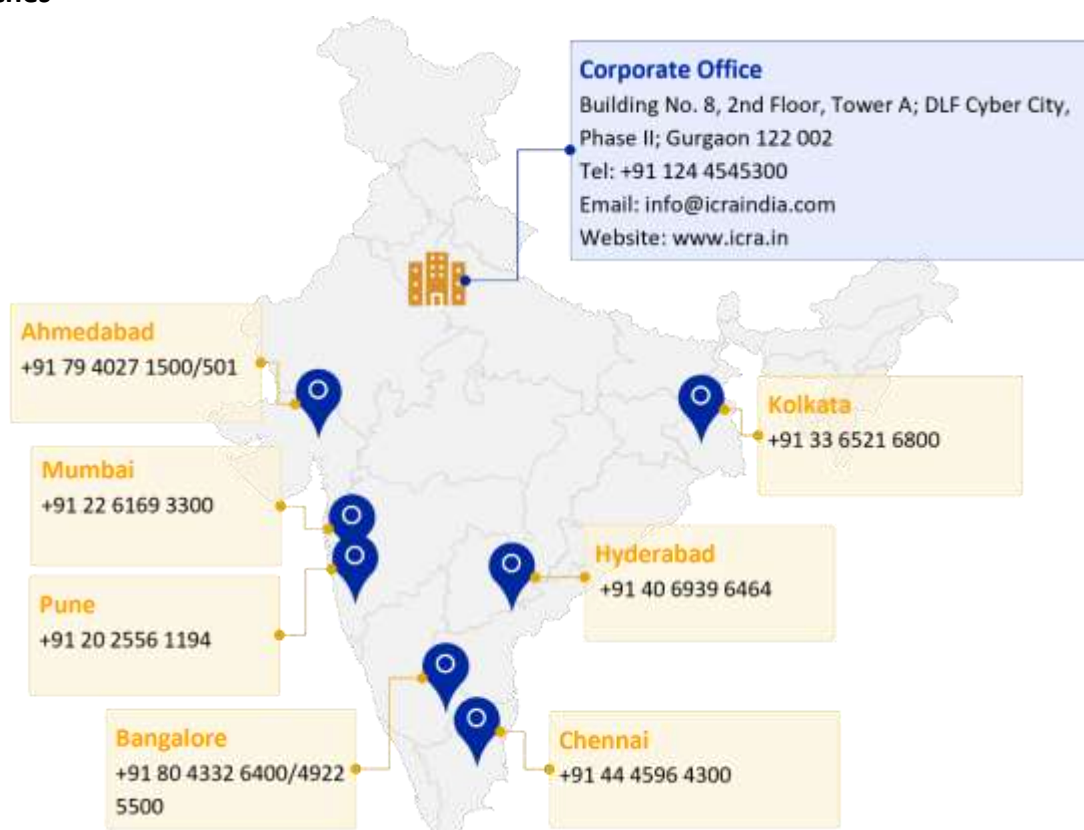
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