

January 30, 2026

SI Interpack Private Limited: Ratings upgraded; rated amount enhanced, Issuer rating upgraded and withdrawn

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund- based – Working capital	-	50.0	[ICRA]BBB (Stable); upgraded from [ICRA]BBB- (Stable), assigned for enhanced amount
Long term – Fund- based – Term Loan	-	7.0	[ICRA]BBB (Stable); upgraded from [ICRA]BBB- (Stable), assigned for enhanced amount
Long term/Short term – Unallocated	-	23.0	[ICRA]BBB (Stable) / [ICRA]A3+; upgraded from [ICRA]BBB- (Stable) / [ICRA]A3, assigned for enhanced amount
Issuer rating	-	-	[ICRA]BBB (Stable); upgraded from [ICRA]BBB- (Stable) and withdrawn
Long term / Short term – Fund-based/Non-fund based – Proposed bank facilities	25.00	-	-
Total	25.00	80.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has taken a consolidated rating view of SI Interpack Private Limited (SI Interpack) and its holding company, Reqi Enterprises Private Limited (REPL), given the strong operational, financial and managerial linkages between the two entities.

The rating upgrade factors in the healthy expected improvement in revenues and earnings in FY2026, driven by the addition of new customers and increased revenue contribution from existing customers in the domestic automotive trim manufacturing industry, along with the refinancing of debt at a lower interest rate and with an elongated repayment tenure at the holding company, REPL. The rating also accounts for SI Interpack's established presence of nearly three decades in the automotive seating trim manufacturing industry. The company is expected to report 15–20% year-over-year (YoY) revenue growth in FY2026 on the back of new business additions (new models and higher volumes from existing customers). The operating profit margin (OPM) is projected to expand by around 100 basis points in FY2026, supported by higher contribution per vehicle, economies of scale and various cost efficiency initiatives, leading to better absorption of overheads. The ratings further take positive note of the refinancing of high-cost non-convertible debentures (NCDs) (around 14.5% interest rate and 3-year tenure) with lower-cost debt (around 11.25% interest rate and 5-year repayment period) in REPL, which will ease cash flows and strengthen debt protection metrics. In addition, SI Interpack has prepaid its high-cost NCD during the current year, supported by healthy internal cash generation. The company also benefits from long-standing relationships and a healthy share of business with leading automotive seating manufacturers. It supplies to various Tier-I auto component suppliers such as Lear Automotive India Private Limited, TM Automotive Seating Systems Private Limited, and Uno Minda Limited, who in turn supply assembled sub-components to major original equipment manufacturers (OEMs) including Tata Motors Limited, Mahindra & Mahindra Limited, JSW MG Motor India Private Limited, Honda Cars India Limited, Royal Enfield Motors Limited and TVS Motor Company, Škoda Auto Volkswagen India Private Limited, Renault Nissan and Cietron among others. SI Interpack has also been deriving revenue from the commercial vehicle (CV) industry through Adient Automotive. It has recently forayed into supplying ornamental pieces and accessories directly to select OEMs; however, this segment currently contributes only marginally to its overall revenues.

The rating is, however, constrained by high customer and segment concentration risks, with a major portion of revenues dependent on supplies of intensely competitive automotive seating trims for the passenger vehicle (PV) segment. Any demand slowdown in the PV industry could adversely impact the company's cash flows.

ICRA notes the Soni family has acquired the agreed 90% stake in the company, with 73% held by REPL and the remaining 17% held by the Soni family directly. The entities have cross-default clauses, and SI Interpack pays a management fee to REPL to support its debt servicing. The promoters plan to merge REPL with SI Interpack in the near term, as REPL has fulfilled its acquisition-related purpose.

ICRA has also upgraded and, simultaneously withdrawn the issuer rating assigned to SI Interpack upon receiving withdrawal request from company, in line with ICRA's policy on withdrawal of credit rating.

The Stable outlook reflects ICRA's anticipation that SI Interpack will maintain a comfortable credit profile, backed by experienced promoters, strong customer relationships and steady cash flows. The company is also expected to fund future capital expenditure (capex) prudently so that its debt metrics remain aligned with the existing rating category.

Key rating drivers and their description

Credit strengths

Established presence in automotive trim manufacturing industry – SI Interpack has an established track record of nearly three decades in the automotive seating-trim manufacturing industry and is positioned among the leading players in this segment. The company is one of the largest players in the seat-trims market in India as a Tier-II supplier and commands a significant share of the domestic market through long-standing relationships with major Tier-I suppliers.

Long relationships with clients and healthy share of business ensure repeat orders – SI Interpack supplies seat trims to several established Tier-I auto component manufacturers, including Lear Automotive India Private Limited, TM Automotive Seating Systems Private Limited and Uno Minda Limited. These Tier-I suppliers, in turn, cater to major OEMs such as Tata Motors Limited, Mahindra & Mahindra Limited, JSW MG Motor India Private Limited, Honda Cars India Limited, Royal Enfield Motors Limited and TVS Motor Company Limited. The company benefits from long-standing relationships with these Tier-I suppliers and enjoys a strong share of business—typically ranging between 80% and 100%—across multiple OEM programmes. This entrenched position ensures consistent repeat orders. The healthy share of business is expected to sustain, supported by incremental demand from new model launches and higher volumes from existing OEM programmes, thereby providing strong revenue visibility over the medium term

Comfortable debt protection metrics and healthy return indicators – The consolidated entity maintains comfortable debt protection metrics, reflected in a gearing of around 1.9 times and an interest coverage ratio of approximately 4.5 times in FY2025. It also reports strong return indicators, with a return on capital employed (RoCE) of around 35% in FY2025, supported by improved margins and a healthy scale of operations. Steady cash flow generation is expected to enable the company to sustain healthy profitability and return metrics, going forward

Credit challenges

Exposure to customer and segment concentration risks – SI Interpack operates primarily in the trims business and supplies seat trims to various Tier-I auto component suppliers. The contribution from its other business segments, such as ornamental pieces and accessories, remains marginal at present. The company is exposed to customer concentration risks, with about 67% of its revenues in FY2025 derived from its top three customers. Nevertheless, SI Interpack maintains strong and long-standing relationships with these customers, which has supported consistent repeat orders and mitigates this risk to some extent. Over the medium term, growth in the accessories segment may provide modest diversification to the company's business profile.

Intensely competitive auto component industry – The auto component industry in India is intensely competitive, with numerous organised and unorganised players operating across product categories. Owing to limited product differentiation in many components, suppliers must demonstrate strong operational capabilities, consistent quality and timely delivery to retain

their business with Tier-I suppliers and OEMs. In this environment, maintaining long-term customer relationships, securing repeat orders and continually investing in capacity and technology upgrades—as well as diversifying the product and customer portfolio—are critical for sustaining market position and profitability.

Liquidity position: Adequate

SI Interpack’s liquidity position remains adequate, supported by steady cash flow from operations (Rs. 20–21 crore expected in FY2026) and a cash balance of about Rs. 11.2 crore as on December 31, 2025. Against this, the company has repayment obligations of nearly Rs. 10 crore in FY2026. It has moderate capex plans of around Rs. 5 crore each year towards plant upgradation and maintenance, which are expected to be comfortably funded through internal accruals.

Rating sensitivities

Positive factors – The rating could be upgraded in case of a sustained scale-up in revenues and earnings, leading to an improvement in its debt protection metrics and liquidity position.

Negative factors – The rating could have a downward revision in case of any material decline in the revenue and earnings resulting in weakening of debt protection metrics or any large debt-funded capex or a stretch in the working capital cycle, adversely impacting the liquidity position of the company. Specific credit metrics that could result in downgrade include debt service coverage ratio (DSCR) lower than 1.6 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components Policy on withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	While assigning the credit rating, ICRA has taken a consolidated view of SI Interpack Private Limited and its holding company, given the high degree of operational, financial and managerial linkages between the entities. The list of entities consolidated have been mentioned in Annexure 2.

About the company

SI Interpack is one of the leading manufacturers of seat trims in the domestic automotive sector, and it also produces ornamental pieces for cars and buses. It operates as a Tier-II supplier to major Tier-I auto component manufacturers. The company has 12 manufacturing units across India, with an installed capacity of around 1.8 lakh trim units and 20,000 interior (ornamental) sets per month. Its product portfolio includes car, bus and railway seat trims, car headrests and stay rods, cinema seat trims, and other ornamental components. The business was earlier promoted by Ms. Puja Khullar and Mr. Ajit Khullar. The Soni family, led by Mr. Parvesh Soni, has since acquired a majority stake of about 90% in the company. REPL, the Soni family’s holding company, has no independent operations and is expected to merge with SI Interpack in the near term.

Key financial indicators (Audited)

SI Interpack (consolidated)	FY2024	FY2025
Operating income (OI)	753.7	701.7
PAT	19.3	19.4
OPBDITA/OI (%)	5.1%	6.2%
PAT/OI (%)	2.6%	2.8%
Total outside liabilities/Tangible net worth (times)	8.1	5.3
Total debt/OPBDITA (times)	1.8	1.9
Interest coverage (times)	6.1	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

Instruments	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jan 30, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long-term	-	[ICRA]BBB (Stable); Withdrawn	Oct 17, 2024	[ICRA]BBB- (Stable)				
				Oct 03, 2024	[ICRA]BBB- (Stable)				
Proposed bank facilities	Long-term/Short term	-	-	Oct 17, 2024	[ICRA]BBB- (Stable)/ [ICRA]A3				
Fund- based – Working capital	Long-term	50.0	[ICRA]BBB (Stable)						
Fund- based – Term Loan	Long-term	7.0	[ICRA]BBB (Stable)						
Unallocated	Long-term/Short term	23.0	[ICRA]BBB (Stable) / [ICRA]A3+						

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund- based – Working capital	Simple
Long term – Fund- based – Term Loan	Simple
Long term/Short term – Unallocated	Not applicable
Issuer Rating	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	Issuer rating	-	-	-	-	[ICRA]BBB (Stable); Withdrawn
NA	Long term – Fund- based – Working capital	-	-	-	50.0	[ICRA]BBB (Stable)
NA	Long term – Fund- based – Term Loan	-	-	-	7.0	[ICRA]BBB (Stable)
NA	Long term/Short term – Unallocated	-	-	-	23.0	[ICRA] BBB (Stable)/[ICRA]A3+

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
Reciq Enterprises Private Limited	Parent entity (owns 90% stake in SI Interpack)	Full consolidation

Source: Company

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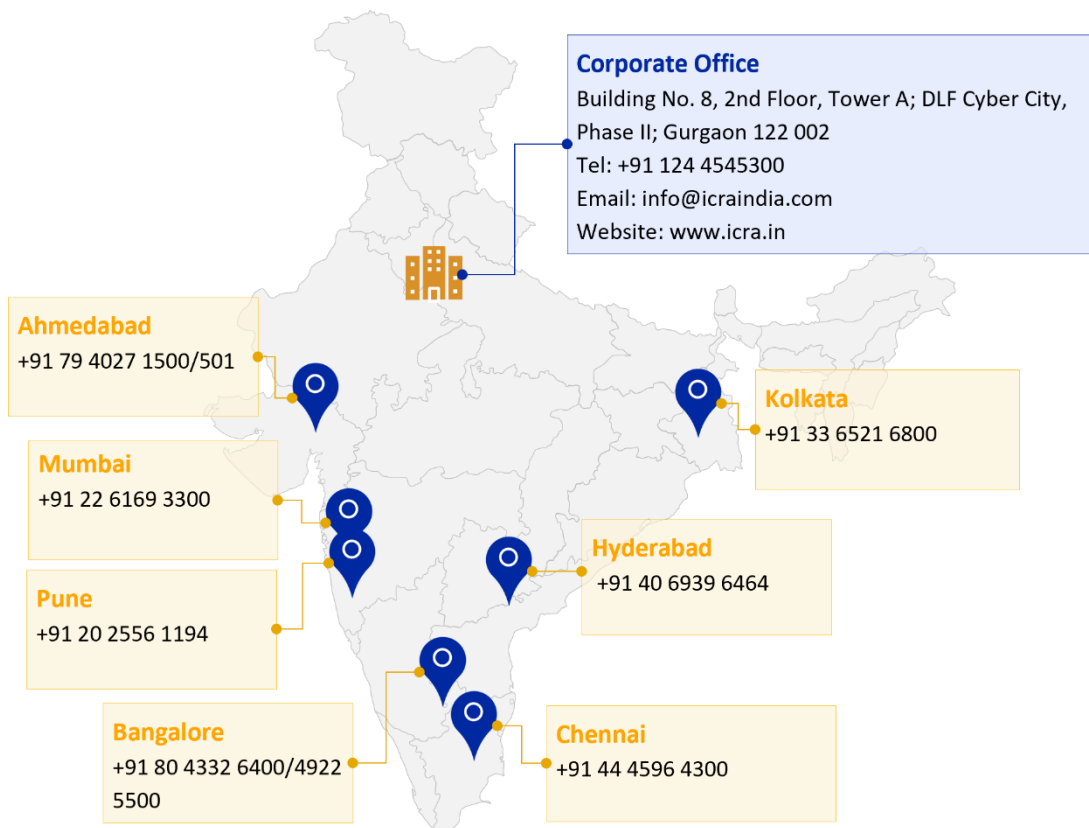
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