

July 03, 2026

Synthetic Packers 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	25.50	25.50	[ICRA]BBB+ (Stable); reaffirmed
Long term – Fund-based /Term loan	11.30	10.80	[ICRA]BBB+ (Stable); reaffirmed
Short term – Fund-based – Standby line of credit	3.00	5.00	[ICRA]A2; reaffirmed
Short term – Others	7.00	7.00	[ICRA]A2; reaffirmed
Short term – Non-fund based	21.10	21.10	[ICRA]A2; reaffirmed
Short term – EPC/PCFC (Sub-limit of cash credit)	(4.00)	(4.00)	[ICRA]A2; reaffirmed
Short term – FBD/EBR (Sub-limit of cash credit)	(5.00)	(5.00)	[ICRA]A2; reaffirmed
Short term – SBLC (Sub-limit of LC limits)	(10.00)	(10.00)	[ICRA]A2; reaffirmed
Short term – Foreign BG (Sub-limit of BG)	(5.00)	(5.00)	[ICRA]A2; reaffirmed
Short term – CEL (Sub-limit of LC limits)	(4.35)	(4.35)	[ICRA]A2; reaffirmed
Long-term – Unallocated	9.10	7.60	[ICRA]BBB+ (Stable); reaffirmed
Total	77.00	77.00	

*Instrument details are provided in Annexure II

Rationale

The ratings consider Synthetic Packers Private Limited's (SPPL) long operational track record in the flexible packaging industry and its established relationships with a diversified, reputed customer base, translating into repeat orders, which led to a healthy revenue compound annual growth rate (CAGR) of 11.5% during FY2021 – FY2026. The company clocked revenue growth of around 5% in FY2026, largely driven by an increase in volume, while realisations remained muted owing to lower raw material prices. Nevertheless, favourable raw material prices led to an improvement in operating margin to 6.6% in FY2026 from 5.4% in FY2025. The company is expected to register a revenue growth of 30-35% in FY2027, supported by a strong order book (which is 1.1-1.3 times the manufacturing division's FY2026 sales volumes), driven by an increased share of business from key export customers and sustained demand from the domestic market. Moreover, the planned commissioning of the 9-layer and 3-layer extruders is likely to enhance capacity and support growth in FY2027. While elevated raw material costs, driven by higher crude oil prices, remain a challenge, the increased share of revenues from margin-accretive products is expected to support its margins. The company's financial profile continued to be healthy, reflected in gearing of 0.3 times and total debt/OPBIDTA of 1.4 times as on March 31, 2026. Promoters infused equity of Rs. 3.1 crore in FY2026 which was utilised towards repayment of term loans. Its coverage metrics were also robust, with interest coverage of 4.9 times and debt service coverage ratio (DSCR) of 3.0 times in FY2026. Despite the company's debt-funded capital expenditure (capex) plans, debt metrics are expected to remain healthy, going forward.

The ratings are, however, constrained by SPPL's modest scale of operations in a highly fragmented industry, characterised by intense competition with the presence of organised and unorganised players. Moreover, its margins remain vulnerable to fluctuations in raw material costs that are linked to crude oil prices. Further, SPPL is exposed to foreign currency fluctuation risks due to its significant import dependence for procuring raw materials.

The Stable outlook reflects ICRA's expectations that SPPL will continue to record healthy growth in revenue and earnings, supported by a better product mix.

Key rating drivers and their description

Credit strengths

Long presence in the packaging industry – The company has four decades of experience in the packaging industry, leading to established relationships with various customers and suppliers. Further, SPPL's ability to introduce a wide range of products for its customers' varying requirements aids in its business growth.

Diversified and reputed customer base of multinational companies – The company enjoys extensive association with its customers, yielding repeat orders that have supported its revenue growth. It supplies its products to reputed companies such as Amazon Seller Services, MTR Foods Private Limited, Signode India Limited and Bulk Packaging Private Limited, among others. Further, SPPL's product line of poly films and other flexible packaging items caters to various industries such as engineering and capital goods, pharmaceuticals, e-commerce, logistics, etc. However, most of its revenues are derived from the engineering and capital goods industry.

Healthy financial profile - The company's financial leverage remained healthy, characterised by a comfortable capital structure with a gearing of 0.3 times as on March 31, 2026, and robust debt metrics with an interest coverage of 4.9 times, total debt/OPBDITA of 1.4 times and DSCR of 3.0 times in FY2026. The company is expected to incur capex of Rs. 7–9.0 crore in FY2027, to be funded through term loans. Despite this, its capital structure and debt metrics are likely to remain comfortable, supported by improved margins.

Credit challenges

Moderate scale of operations – SPPL's scale remains moderate with revenues of Rs. 351.2 crore in FY2026, which grew at a moderate pace of 5.1% during the year, largely driven by volumes as realisations continued to be muted owing to stable input costs. Its installed capacity is expected to increase by 4000-5000 metric tonnes per annum (MTPA) in FY2027, with the addition of 9-layer and 3-layer extruders, which would enable the company to offer value-added products such as food-grade film and agri film. Moreover, it has a strong order book, which is 1.1-1.3 times the volumes sold in FY2026. The ramp-up of the newly added capacity and healthy order book is anticipated to support SPPL's revenue growth, going forward. However, it faces stiff competition from several players, which limits pricing flexibility and bargaining power with customers.

Profitability remains susceptible to volatility in raw material prices – The company's major cost component is raw materials, which typically account for 78-82% of the operating income. This exposes its profitability to fluctuations in polymer prices. The raw material, polymer, is a derivative of crude oil and hence its prices witness volatility. However, going forward, the margins are likely to improve with the expected increase in the share of higher-margin products such as food-grade film and agri film.

Vulnerable to volatile foreign exchange rates because of high import dependence – The company is exposed to foreign exchange movement risk due to its significant import dependence for procuring raw materials. However, it has started hedging its net foreign currency exposure since FY2025, which would mitigate the risk to an extent.

Liquidity position: Adequate

SPPL's liquidity position is Adequate, with a buffer of Rs. 2-3.0 crore in working capital limits, free cash and bank balance of Rs. 0.4 crore as on March 31, 2026, and expected retained cash flows of Rs. 15.0-20.0 crore, against repayment obligations of Rs. 1.8-2.2 crore in FY2027. The company is expected to incur a capex of Rs. 7-9.0 crore in FY2027, funded largely through term loans.

Rating sensitivities

Positive factors – SPPL's ratings could be upgraded if the company demonstrates substantial progress in revenue and profitability, on the back of an enhanced product mix and ramp-up of new capacity. Further, better working capital management, yielding an improved liquidity position, will remain critical for ratings upgrade.

Negative factors – Pressure on SPPL's ratings could arise from a significant decline in revenues or margins, caused by an adverse change in product mix or increased working capital intensity, resulting in deterioration in liquidity and lower cash accruals. Specific triggers for a downgrade include total debt/OPBDITA worsening to above 2.3 times on a sustained basis. Additionally, any large debt-funded capex or elongation in the working capital cycle, adversely impacting the liquidity profile, could also exert downward pressure on the ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company's standalone financial profile.

About the company

Established in 1981, Synthetic Packers Private Limited (SPPL) is involved in manufacturing poly film products, including packaging films, lamination films, shrink films, zip lock bags, tamper-proof pouches and wide width films. The company started its operations with a monolayer extruder with an installed capacity of 200 tonnes per annum (TPA). Over the years, SPPL has grown to its present capacity of 25,404 MTPA as on May 31, 2026. The company has a reputed client base, including many Indian and multinational companies. It is headquartered in Bangalore, with its manufacturing facilities at Peenya Industrial Area, Bangalore.

Key financial indicators (audited)

SPPL (standalone)	FY2025	FY2026*
Operating income (OI)	334.2	351.2
PAT	2.7	7.5
OPBDIT/OI	5.4%	6.6%
PAT/OI	0.8%	2.1%
Total outside liabilities/Tangible net worth (times)	1.1	0.8
Total debt/OPBDIT (times)	2.7	1.4
Interest coverage (times)	5.1	4.9

Source: Company, ICRA Research; * Provisional numbers; 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 (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	July 03, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based/ Cash credit	Long term	25.50	[ICRA]BBB+ (Stable)	Jun 25, 2025	[ICRA]BBB+ (Stable)	Jun 11, 2024	[ICRA]BBB+ (Stable)	Jun 23, 2023	[ICRA]BBB+ (Stable)
Fund-based/Term loan	Long term	10.80	[ICRA]BBB+ (Stable)	Jun 25, 2025	[ICRA]BBB+ (Stable)	Jun 11, 2024	[ICRA]BBB+ (Stable)	Jun 23, 2023	[ICRA]BBB+ (Stable)
Fund-based - SLC	Short term	5.00	[ICRA]A2	Jun 25, 2025	[ICRA]A2	Jun 11, 2024	[ICRA]A2		
Short term – Others	Short term	7.00	[ICRA]A2	Jun 25, 2025	[ICRA]A2	Jun 11, 2024	[ICRA]A2		
Non-fund based	Short term	21.10	[ICRA]A2	Jun 25, 2025	[ICRA]A2	Jun 11, 2024	[ICRA]A2	Jun 23, 2023	[ICRA]A2
EPC/PCFC (Sub-limit of cash credit)	Short term	(4.00)	[ICRA]A2	Jun 25, 2025	[ICRA]A2	-	-		
FBD/EBR (Sub-limit of cash credit)	Short term	(5.00)	[ICRA]A2	Jun 25, 2025	[ICRA]A2	-	-		
SBLC (Sub-limit of LC limits)	Short term	(10.00)	[ICRA]A2	Jun 25, 2025	[ICRA]A2	Jun 11, 2024	[ICRA]A2		
Foreign BG (Sub-limit of BG)	Short term	(5.00)	[ICRA]A2	Jun 25, 2025	[ICRA]A2	Jun 11, 2024	[ICRA]A2		
CEL (Sub-limit of LC limits)	Short term	(4.35)	[ICRA]A2	Jun 25, 2025	[ICRA]A2	Jun 11, 2024	[ICRA]A2		
Unallocated	Long-term	7.60	[ICRA]BBB+ (Stable)	Jun 25, 2025	[ICRA]BBB+ (Stable)	-	-		
Unallocated	Long term/ Short term	-	-	-	-	-	-	Jun 23, 2023	[ICRA]BBB+ (Stable)/ [ICRA]A2
Interchangeable – Others	Long term	-	-	-	-	Jun 11, 2024	[ICRA]BBB+ (Stable)	-	-
Interchangeable – Export packing credit	Long term	-	-	-	-	Jun 11, 2024	[ICRA]BBB+ (Stable)	-	-

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 the regulatory purview of various Financial Sector Regulators (FSRs), 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 the regulatory purview of various FSRs, 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 FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based/Cash credit	Simple
Long term – Fund-based /Term loan	Simple
Short term – Fund-based – Standby line of credit	Simple
Short term – Others	Simple
Short term – Non-fund based	Simple
Short term – EPC/PCFC (Sub-limit of cash credit)	Simple
Short term – FBD/EBR (Sub-limit of cash credit)	Simple
Short term – SBLC (Sub-limit of LC limits)	Simple
Short term – Foreign BG (Sub-limit of BG)	Simple
Short term – CEL (Sub-limit of LC limits)	Simple
Long-term – Unallocated	NA

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	Long term – Fund-based/Cash credit	NA	NA	NA	25.50	[ICRA]BBB+ (Stable)
NA	Long term – Fund-based /Term loan	Oct 2020	-	Jun 2028	10.80	[ICRA]BBB+ (Stable)
NA	Short term – Fund-based – Standby line of credit	NA	NA	NA	5.00	[ICRA]A2
NA	Short term – Others	NA	NA	NA	7.00	[ICRA]A2
NA	Short term – Non-fund based	NA	NA	NA	21.10	[ICRA]A2
NA	Short term – EPC/PCFC (Sub-limit of cash credit)	NA	NA	NA	(4.00)	[ICRA]A2
NA	Short term – FBD/EBR (Sub-limit of cash credit)	NA	NA	NA	(5.00)	[ICRA]A2
NA	Short term – SBLC (Sub-limit of LC limits)	NA	NA	NA	(10.00)	[ICRA]A2
NA	Short term – Foreign BG (Sub-limit of BG)	NA	NA	NA	(5.00)	[ICRA]A2
NA	Short term – CEL (Sub-limit of LC limits)	NA	NA	NA	(4.35)	[ICRA]A2
NA	Long-term – Unallocated	NA	NA	NA	7.60	[ICRA]BBB+ (Stable)

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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