AGI Greenpac Limited

April 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	934.00 (Reduced from 954.00)	CARE AA-; Stable	Reaffirmed
Short-term bank facilities	300.00 (Enhanced from 280.00)	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to AGI Greenpac Limited (AGI Greenpac) factors in the sustained improvement in its business and financial risk profiles, supported by its market-leading position with a 17-18% share in India, which is expected to continue over the medium term. In the last 3-4 years, the company has strengthened its competitive position, enabling it to cater to healthy demand from alcoholic and non-alcoholic beverage segments, leading to high-capacity utilisation (~95%) and steady ramp-up in the specialty glass segment. This has supported revenue growth from ₹1,256 crore in FY21 to ₹2,537 crore in FY25 (compounded annual growth rate [CAGR] of ~19%), and improved product diversification and entry into higher value-added segments.

The company's ability to debottleneck capacities (now ~2000 TPD), maintain stable realisations, and benefit from softening raw material prices (particularly soda ash) and constrained industry supply including lower production from Hindustan National Glass has supported healthy operating margins of ~23% in 9MFY26. While lower input costs are expected to be gradually passed on, sustained demand and supply-side tightness have supported realisations. Operating performance is further aided by improved product mix and operational efficiencies. However, CARE Ratings Limited (CareEdge Ratings) expects sustainable margins to normalise at 22%–24% over the medium term as industry capacity stabilises.

The rise in scale and profitability has led to strong cash accruals, aiding deleveraging, with net debt (including LC acceptances) to profit before interest, lease rentals, depreciation, and taxation (PBILDT) improving from 1.28x in FY23 to 0.33x in FY25, providing headroom for future capex. The company has announced a greenfield project in Madhya Pradesh (500 TPD, ₹700 crore, expected by FY27) and entry into aluminium cans (capex of ₹900-1,000 crore), to be funded through a mix of debt and internal accruals. Despite the planned capex, capital structure is expected to remain comfortable, supported by expected gross cash accruals (GCA) of ₹500-600 crore in FY27-FY28, with net leverage likely to remain below 1.50x.

The rating strengths are partially tempered by exposure to volatile input costs, particularly fuel and gas. Ongoing geopolitical tensions may lead to volatility in fuel and gas prices; however, the impact is partly mitigated by AGI's ability to pass on costs to ~60% of customers, with the balance adjusted with a short lag of a quarter. Additionally, flexibility to use alternative fuels like pet coke and favourable competitive dynamics are expected to support margin stability.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in scale of operations, turnover above ₹4,000 crore with healthy operating margins, PBILDT margins of at least 20% on a sustained basis.
- Timely completion and stabilisation of capex

Negative factors

- Sustained adverse impact in business risk profile, turnover below ₹2,000 crore and/or operating margins (PBILDT) below 15%.
- Any significant debt programme or moderation in operating margins leading to expectation of net debt to PBILDT above 2.5x on a sustained basis.
- Significant fund outflow to group companies, thus impacting its liquidity profile.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach: Consolidated

CareEdge Ratings has taken a consolidated view of the parent (AGI) and its subsidiaries owing to business, operational, and financial linkages. Details of subsidiaries consolidated as on December 31, 2025, are listed as provided in Annexure-6. Earlier the analytical approach was standalone. The change in approach is due to incorporation of subsidiaries, which are in selling packaging products business.

Outlook: Stable

The 'Stable' rating outlook indicates the expected sustenance of its strong competitive position and operating efficiency in the packaging industry, particularly glass packaging, and healthy financial risk profile. Despite the announced capex plan, CareEdge Ratings expects the financial risk profile to remain comfortable over the medium term.

Detailed description of key rating drivers:

Key strengths

Large scale of operations supported by strong market position in container glass

AGI Greenpac is the second-largest player in container glass segment in terms of installed capacity in the Indian organised glass packaging industry. However, over the recent few quarters, the company has been reporting higher revenue compared to the Hindusthan National Glass & Industries Limited (HNG), which has the highest stated installed capacities for container glass. Resultantly, the company's total operating income (TOI) is large having recorded TOI of ₹2537 crore in FY25 and estimated at ₹2,600-₹2,650 crore in FY26. This is supported by its total installed glass capacity of 2000 TPD including specialty glass capacity of 165 tonnes TPD.

Going forward, market position is expected to improve further with upcoming capacity of 500 TPD of container glass from new plant in Gwalior, commercial operations date (COD) expected in December 2026.

Robust capital structure and debt coverage indicators

The net worth of the company stood at ₹2096 crore as on March 31, 2025 against ₹1,814 crore as on March 31, 2024. The company has significantly deleveraged itself in FY23 post divesting its building product division. Post that, the overall gearing (including letter of credit (LC)) strengthened gradually from 0.49x as on March 31, 2023 to 0. 26x as on March 31, 2025 and is estimated at ~0.20x as on March 31, 2026 supported by healthy accretion to reserves. With comfortable debt position and healthy profitability, the company's debt coverage metrics also remained healthy. The interest coverage ratio was 7.20x (6.40x) in FY25 (FY24) and net debt (including LC) to PBILDT was 0.33x (0.88x) in FY25 (FY24). Net debt to PBILDT is estimated ~0.30x for FY26. Limited capex and scheduled repayment of term debt have led to improvement in leverage ratios over the years. The company has recently announced greenfield project in Madhya Pradesh with planned daily production capacity of 500 tonnes, at an estimated cost of ₹700 crore and manufacturing of aluminium cans with total capex of ₹900-1000 crore. Despite this capex, the company's capital structure and debt coverage metrics are expected to remain robust over the medium term.

Healthy profitability margins, expected to be sustained

In the last few years, the company has reported a steady improvement in its operating margins, driven by high-capacity utilisation, an effective fuel mix, and favourable demand-supply dynamics, leading to enhanced operational efficiencies. The PBILDT margin improved from 19% in FY23 to 24% in FY25, with a consistent upward trend from 19% in FY22 to 23% in FY24 and further to 24% in FY25. Going forward, margins are expected to remain in the range of 22%–24%.

In 9MFY26, the company reported operating margins of ~23% (23.33%), compared to 25% in 9MFY25. The healthy margin levels were supported by softening raw material prices, particularly soda ash, steady realisations, and constrained industry supply due to lower production from a major competitor, Hindusthan National Glass & Industries Limited (HNG). However, the benefit of lower input costs is expected to be gradually passed on to customers.
Additionally, stable demand from alcoholic and non-alcoholic beverage segments, and reduced supply of container glass, supported profitability. As supply conditions normalise, the company's margins are expected to stabilise within the 22%–24% range. The specialty glass segment has stabilised with utilisation of ~75% in FY25 and offers further headroom for production, which is expected to support margin improvement going forward.

Diversified customer profile

The company's products cater to a large reputed diversified customer base (which includes names like United Breweries Limited, SABMiller India Limited, United Spirits Ltd, Coca-Cola, among others) with a product range covering flint, amber and green containers. The top 10 customers contribute ~64% of the net sales, reflecting moderate customer diversification considering

business-to-business transactions. The company's plants are equipped to manufacture 5 ml to 4,000 ml of glass bottles and 10 ml to 10 ltrs of PET bottles in shapes, sizes, and colours. The company is selling packaging products as a brand portfolio; under AGI Brand for Glass Containers, GP Brand for PET bottles and plastic products and AGI Clozures for security Caps and Closures. Most of the revenue is derived from domestic market. However, the company is trying to increase its export markets. The specialty glass segment is also allowing to focus on exports because of its niche product and high realisation covering the freight costs. However, developing customer base for specialised glass packaging requires time.

Key weaknesses

Volatile input costs partially covered by pass-through mechanism with customers

Soda ash, which is a major raw material for manufacturing container glass, has been the key contributor to the raw material cost. The soda ash cost has been volatile over the recent past with significant gains in FY23 and partial moderation observed in FY24. In FY25, the soda ash continued its downward trajectory and reached pre-FY23 levels. Power and fuel cost is another significant cost-item for the company which shot up in FY22-FY23. The company in the past had undertaken capex to reduce the fuel cost by allowing multi-fuel usage. The company reviews its fuel mixture regularly to optimise fuel cost such as increasing pet-coke sourcing in FY25. The company has a pass-through mechanism with ~60% of its clientele allowing it to increase the realisations of its products in case of rise in input costs and vice versa, though coming with some lag. While the rest of its sales are market driven, which partially exposes it to the vagaries of volatile input costs and product pricing.

AGI Greenpac operates in a gas-intensive glass manufacturing industry, where input costs particularly natural gas remain inherently volatile, exacerbated by geopolitical disruptions such as the ongoing war. However, the company benefits from its ability to pass on cost escalations to nearly 60% of its customers through pricing arrangements, which provides partial insulation to its margins. Additionally, AGI Greenpac has demonstrated operational flexibility by utilising alternative fuels such as pet coke, reducing sole dependence on natural gas. Compared to smaller players, this pricing power and fuel flexibility provide a competitive advantage, enabling better cost management and margin resilience amid fluctuating raw material prices. However, CareEdge Ratings will continue to closely monitor the company's exposure to input cost fluctuations, particularly fuel and gas expenses, which constitute ~20–30% of the overall cost structure. Any sustained increase in these costs, if not adequately passed on, may exert pressure on margins and, in turn, impact the company's business risk profile.

Working capital intensive operations driven largely by moderate inventory cycle and receivable cycle

The company's operating cycle is ~60-70 days, largely considering inventory cycle of ~60-75 days and receivable cycles of 50-60 days. Since furnace in glass manufacturing needs to be continuously operated for better economies of production, the company needs to maintain raw material inventory. However, despite this, the company modestly utilises its fund-based working capital limits.

Project execution risk

The company has announced sizeable greenfield expansions, including a 500 TPD facility in Madhya Pradesh (₹700 crore; COD by FY27) and entry into aluminium can manufacturing in Uttar Pradesh with a capacity of 1.6 billion units (₹900–1,000 crore; COD by October 2027). The capex will be funded through a mix of debt and internal accruals.

Despite the elevated capex, the company's capital structure is expected to remain comfortable, supported by healthy cash accruals of ~₹500–₹600 crore in FY27–FY28, with net leverage likely to sustain below 1.5x. However, timely execution, cost control, and successful stabilisation of these projects remain key monitorable.

The foray into aluminium cans is driven by portfolio diversification and is expected to strengthen relationships with key customers while enhancing the company's presence in high-growth liquid packaging solutions. The proposed capacity of ~1.6 billion cans positions the company to benefit from rising demand, particularly given increasing preference for aluminium packaging among younger consumers. The company's existing experience in container glass manufacturing provides operational synergies, supporting a relatively smoother scale-up in the new segment.

Liquidity: Strong

AGI's strong liquidity is supported by healthy cash and cash equivalents and significant generation of GCA and negligible bank limit utilisation. The company has strong liquidity as reflected in healthy accrual generation of ₹550-600 crore against repayment obligations of ₹80-90 crore annually in FY27-FY28. The company has paid ~₹307 crore in FY26 including ₹225 crore as prepayment with their existing cash and bank balances, also company has free cash and bank balance of ₹23 crore as on December 31, 2025, and negligible utilisation of working capital lines.

Environment, social, and governance (ESG) risks

CareEdge Ratings believes the ESG profile of AGI supports the company's strong credit risk profile. AGI has continuously focused on mitigating its environmental and social impact.

Environment risks: Packaging has become pervasive in our daily life. Increasingly, there has been scrutiny by the people regarding impact on environment from different types of packaging. Currently, packaging, particularly liquid products are done either through glass bottles or PET bottles/recycled PET Bottles. Glass bottles are more recyclable than PET in their lifetime. The glass bottles also do not lead to harmful carcinogens or pollutes water. However, the heating involved in manufacturing per unit of glass bottle and transportation of glass bottle adversely impacts the environment. Some of the measures undertaken to mitigate the impact was –

- Across four sites, as on March 31, 2025, the company has an installed capacity of 19.56 MW of rooftop and ground mounted solar power.
- 2727 KLD RO units are installed at manufacturing facilities to treat and use wastewater as on March 31, 2025. Further, they have six rainwater storage ponds of 36,450 m3 capacity at Bhongir Glass plant.
- In FY23, the company has tied up for procurement of environmentally friendly natural gas in its production process as a substitute for petroleum-based inputs. The usage of the same was 17% in FY25.

Social risks:
Effective manpower management is crucial for smooth operations, and AGI has launched several initiatives to support this. AGI has implemented initiatives to support the local community, including helping nearby farmers, opening a skill training centre in Bhongir, and providing healthcare to over 600 villagers through onsite dispensaries. The company also invested in upgrading infrastructure at five local government schools, enhancing sanitation and classroom facilities.

Governance: The company has complied with statutory conditions of corporate governance as required. Accordingly, as on 31 March 2025, there were eight (8) Directors on the Board of your Company, consisting of four (4) Independent Directors, three (3) Non-Executive Directors and One (1) Executive Director as Chairman and Managing Director (CMD) of the company.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Glass - consumer

AGI, formerly known as HSIL Limited and incorporated in February 1960, currently manufactures packaging products. The promoter, Sandip Somany, is the chairman and managing director of the company. The company has two glass container facilities at Sanathnagar and Bhongir in Telangana, one speciality glass manufacturing plant at Bhongir in Telangana, three PET bottles and products facilities at Selaqui in Uttarakhand, Dharwad in Karnataka, Sangareddy in Telangana, and one security caps and closures facility at Sangareddy in Telangana. The installed capacity of the company currently stands at 2,000 TPD for its glass packaging division, 11,892 TPA for its plastic packaging division, 1154 million of small cap pieces per annum and large cap pieces per annum.

Brief Financials (₹ crore) (Consolidated)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	2396.15	2537.39	1925.23
PBILDT*	538.73	609.27	442.56
Profit after tax (PAT)	251.33	322.43	237.67
Overall gearing (x)	0.34	0.26	NA
Interest coverage (x)	6.40	7.20	11.18

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	550.00	CARE AA-; Stable
Fund-based - LT-Term Loan		-	-	30-09-2029	384.00	CARE AA-; Stable
Non-fund-based - ST-BG/LC		-	-	-	300.00	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	384.00	CARE AA-; Stable	1)CARE AA-; Stable (08-Apr-25)	1)CARE A+ (RWD) (02-Apr-24)	-	1)CARE A+ (RWN) (27-Mar-23) 2)CARE A+; Stable (28-Feb-23)

2	Fund-based - LT-Cash Credit	LT	550.00	CARE AA-; Stable	1)CARE AA-; Stable (08-Apr-25)	1)CARE A+ (RWD) (02-Apr-24)	-	1)CARE A+ (RWN) (27-Mar-23) 2)CARE A+; Stable (28-Feb-23)
3	Non-fund-based - ST-BG/LC	ST	300.00	CARE A1+	1)CARE A1+ (08-Apr-25)	1)CARE A1+ (RWD) (02-Apr-24)	-	1)CARE A1+ (RWN) (27-Mar-23) 2)CARE A1+ (28-Feb-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	AGI Retail Private Limited (on August 27, 2024	Full	Wholly owned Subsidiary
2	SUN REACH PACK (FZE) (on October 28, 2024)	Full	Wholly owned Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.