

Project Appraisal and Monitoring Services

Packaging Sector



About Us

Resurgent India Ltd. is a top-tier financial advisory firm and a Category I Merchant Banker, serving SMEs, large corporates, and government bodies. Our services span Techno-Economic Viability (TEV) studies, Lender's Independent Engineer (LIE) assessments, Agency for Specialized Monitoring (ASM), Detailed Project Reports (DPRs), and Due Diligence assignments. We also support clients through specialized practices in Debt Syndication, Capital Markets, and Valuations, alongside Investment Banking and NBFC Advisory. In addition, we provide Stressed Asset Advisory, Insolvency (IBC) Services, Corporate Legal Services, ESG Advisory, Government Advisory, FinTech Solutions, and Training, enabling clients to access a complete suite of financial and strategic solutions.

Our Project Appraisal and Monitoring vertical assists in both pre- and post-disbursement decision-making for lenders. We have delivered over 2000 TEV studies and more than 750 LIE reports. Furthermore, we are empanelled with nearly all public sector banks, several private banks, and NBFCs for LIE and TEV studies, and with the Indian Banks' Association (IBA) for ASM services.

Packaging Sector Overview

The packaging sector plays a vital role in every stage of the supply chain from production and storage to distribution and final consumption. Packaging not only safeguards products from damage, contamination, and spoilage but also serves as a key marketing tool that influences consumer perception and purchase decisions.

Globally, the packaging sector is one of the largest sectors, encompassing materials such as paper and paperboard, plastics, glass, metals, and composites. It caters to diverse end-use industries including food and beverages, pharmaceuticals, personal care, FMCG, e-commerce, automotive, and industrial goods. With growing global trade, product diversification, and consumer awareness. Packaging has evolved beyond protection to deliver convenience, information, and sustainability.

India's packaging sector is a dynamic and rapidly growing sector, driven by urbanization, rising incomes, organized retail, and expanding e-commerce activity. In FY 2024, the market was valued at INR 6656 billion, reflecting a growth of 4.0% from FY 2023, and is projected to reach INR 8,620 billion by FY 2028, growing at a CAGR of 6.7%.

The sector is broadly classified into consumer packaging (for retail and daily-use products) and industrial packaging (for bulk materials and heavy goods). Key sectors like food and beverage, pharmaceuticals, and e-commerce heavily depend on packaging. The packaging sector is broadly categorized into several key types, each serving distinct sectors with specialized products.

- **Flexible Packaging:** Made from films, foils, and laminates; includes pouches, sachets, and wrappers used in FMCG, food, beverage, and pharma sectors for cost efficiency and convenience.
- **Rigid Plastic Packaging:** Uses PET, HDPE, and PP to produce bottles, jars, and containers for food, personal care, pharmaceutical, and chemical industries.
- **Paper & Paperboard Packaging:** Includes corrugated boxes, cartons, and paper bags; eco-friendly and widely adopted in e-commerce, FMCG, pharmaceuticals, and retail.
- **Metal Packaging:** Comprises tin and aluminium cans, drums, and aerosol containers; used for food, beverages, and chemicals requiring strength and long shelf life.
- **Glass Packaging:** Offers premium, inert, and transparent solutions for beverages, cosmetics, pharmaceuticals, and gourmet foods.
- **Wooden Packaging:** Includes pallets and crates used for heavy-duty industrial and export shipments.
- **Textile & Jute Packaging:** Encompasses gunny bags and fabric sacks used in agriculture, retail, and construction for sustainable storage and transport.
- **Industrial/Specialty Packaging:** Covers bulk bags, valve bags, and IBCs for cement, fertilizers, chemicals, and engineering goods.
- **Biodegradable & Sustainable Packaging:** Made from compostable or recycled materials; gaining prominence in food, retail, and cosmetic sectors with the shift toward eco-friendly alternatives.

Plastic packaging leads the market with a 43% share in FY 2024, driven by its versatility, affordability, and ease of moulding. Paper-based packaging represents 28% of the market share. Metal packaging accounts for 8%, while glass packaging holds a 13% market share and others (e.g. jute, wood, cloth) holds a 8% market share. The Food & Beverage sector dominates the plastic packaging market, followed by pharmaceuticals and personal care. E-commerce is driving the growth of paper packaging, with strong projections for the carton segment.

Modern packaging trends focus on eco-friendly materials, lightweight designs, recyclable content, digital printing, and smart labelling. The industry is also adopting aseptic, vacuum, and tamper-evident packaging to improve safety and sustainability. The sector shows varied pricing and growth across paper, plastic, metal, glass, and flexible packaging, driven by raw material, energy, crude oil, and polymer price fluctuations. To manage costs, manufacturers are opting for long-term supply contracts, cost-escalation clauses, and recyclable or lightweight materials. There is a clear shift toward value-added products such as printed cartons, PET containers, and smart packaging. Regionally, Western and Southern India lead due to strong petrochemical and port infrastructure, while Northern and Eastern regions are emerging growth hubs supported by industrial corridors and packaging clusters.

Technological Innovation in the Packaging Sector

- The Indian packaging sector is rapidly upgrading through automation, sustainability, and digitalisation. Units are adopting robotics for filling, labelling, and inspection, along with IoT/AI systems for real-time monitoring. Digital and 3D printing enable high-quality customised packaging, while smart features like QR codes, RFID, and temperature indicators improve traceability and consumer engagement.
- A growing shift toward sustainable materials—biodegradable plastics, recyclable mono-material films, and paper-based laminates—is reshaping production. Advanced barrier coatings and active packaging are enhancing shelf life, especially in food and pharma. Lightweighting and material optimisation are further reducing costs and waste.
- Integration of Industry 4.0 technologies, such as digital twins, cloud systems, and blockchain, is enhancing operational efficiency and transparency. Technological innovations like multi-layer films and blow-moulded containers, injection- and roto-moulded designs, and thin-wall metal and glass containers are improving durability, design flexibility, and aesthetics.
- Globally, the packaging sector is evolving towards smart, sustainable, and consumer-centric solutions, emphasizing circular economy practices, recyclable materials like rPET, refillable formats, and e-commerce-ready designs to meet both environmental and market demands.

Government Initiatives

The Indian packaging sector operates under a policy framework that balances growth with environmental responsibility. The Government of India has introduced various initiatives and regulations to drive modernization, sustainability, and compliance across the industry.

- The National Packaging Initiative (2021), under the Ministry of Commerce & Industry, outlines packaging design and material guidelines, promotes centralised infrastructure like logistics parks and labs, supports MRF setup, encourages domestic production of advanced materials, and develops certified training programmes.
- The Plastic Waste Management (Amendment) Rules, 2023 have introduced stricter rules on packaging waste management including mandates around use of biodegradable/compostable materials and recycling quotas.
- The draft Environment (EPR for Packaging) Rules, 2024 (effective 1 April 2026) mandate that PIBOs manage the full life cycle of their packaging, including take-back, recycling, and final disposal.
- The Plastic Industry Subsidy 2025 (for MSMEs) provides a 25–30% capital subsidy on machinery for biodegradable plastics, 5% interest subvention on term loans up to ₹5 crore, 60% support for technology adoption, and certification reimbursement.
- State-level incentive: In Odisha under its new Industrial Policy, the Packaging & Plastics Sector is classified as “Priority”. The state offers land at 50% concessional rate and 20% reimbursement of cost of plant & machinery as capital investment subsidy.
- MSME subsidies & incentives: Includes CLCSS for technology upgradation and interest subvention schemes for exporters.
- Simplified GST: Two-rate system (5% and 18%); key packaging materials shifted to the 5% slab to reduce costs.
- Ease of compliance: Use of old MRP packaging allowed for a limited period, reducing waste and update costs.
- Export credit: RBI guidelines provide pre-shipment/packing credit at competitive rates for packaging used in export supply chains.
- Food sector schemes: PMKSY and PMFME support standardised packaging, branding, cold chain, and infrastructure.
- Sustainability push: DGFT targeting full recyclability of packaging materials by 2030 to promote a circular economy.
- PLI for Food Processing: Supports value-added food manufacturing, indirectly benefiting packaging requirements.

Challenges in Packaging Sector of India

- The Packaging Sector in India faces key challenges including volatility in raw material prices (kraft paper, polymers, aluminium), high logistics costs, compliance with evolving environmental regulations including ban on single use plastics in some states, and the need for large-scale recycling infrastructure.
- The supply chain for sustainable packaging materials is more complex than that of traditional packaging. Many sustainable materials are 20–30% costlier than traditional packaging material and they come from renewable, biodegradable, or agricultural sources, which can be affected by seasonal variations, regional availability, and climate-related disruptions.
- Recent U.S. tariffs on packaging materials such as paperboard, polymer films, and plastic containers may lead to a decline in India's exports to the U.S. The resulting pressure on margins and potential domestic oversupply have prompted companies to diversify export markets and focus on domestic demand.
- Balancing cost efficiency with sustainability and adapting to global standards remain critical for maintaining competitiveness and ensuring long-term growth in the sector.

Growth opportunities in the Packaging Sector in India

The Indian packaging sector offers strong investment opportunities, with 100% FDI permitted under the automatic route. “Make in India” is boosting demand for advanced packaging infrastructure, attracting both domestic and global players. Growing demand from pharmaceuticals, horticulture, aquaculture, and e-commerce, along with a push toward recycling and circular economy practices, is driving the sector's sustainable growth.

The Indian Packaging sector represents more than just an industrial segment; it is a microcosm of India's economic ambition and its potential to redefine global manufacturing dynamics. As the industry continues to grow and innovate, it offers both domestic and international opportunities for growth, investment, and technological advancement. The coming years promise to be transformative for India's packaging landscape, with ripple effects likely to be felt across the global market.

Resurgent India has created a strong presence in Project Appraisal (TEV).

Resurgent India has undertaken multiple Techno-Economic Viability (TEV) studies across diverse packaging segments, including plastic containers, PET bottles, aluminium caps, corrugated boxes and thin-wall moulded containers for projects in Maharashtra, Assam and Kolkata, driven by demand from food, edible oil, and personal care sectors. In flexible packaging, Resurgent has conducted TEV study for projects involving plastic films, paper, aluminium foil, and laminates. For industrial packaging, Resurgent India has evaluated projects producing HDPE woven, BOPP, and block bottom valve bags catering to automotive, chemical, and construction sectors.

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Resurgent Contacts

Gurgaon Office:

903-906, 09th Floor, Tower C,
Unitech Business Zone,
Sector 50, Gurgaon, Haryana 122018

Kolkata Office:

CFB F-1, 1st Floor, Paridhan Garment Park,
19, Canal South Road, Kolkata,
West Bengal 700015

Jaipur Office:

197, Laxminath Bhawan, Church Rd, M I Rd,
Jaipur, Rajasthan 302001

Mumbai Office:

602, 6th floor, Central Plaza, 166, CST Road,
Kolivery Village, Vidya Nagari, Kalina, Santacruz
East, Mumbai, Maharashtra 400098

Bangalore Office:

Central Quay, 2nd Floor, 35/1, Ulsoor Road,
Yellappa Chetty Layout, Sivanchetti Gardens,
Bengaluru, Karnataka-560042

Ahmedabad Office:

108, Shilp Epitome, near Sankalp Grace behind
Rajpath club, Bodakdev, Ahmedabad 380054

Muskan Bhardwaj

Analyst - TEV

muskan.bhardwaj@resurgentindia.com

Tel: +91 124 4754550 | **Email:** info@resurgentindia.com | **Website:** www.resurgentindia.com

Sources of information: EMIS, Ministry of Finance, India Press Information Bureau, RBI Bulletin, Resurgent Research.