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CM RATING 44 /100

Epac Prefab Technologies

In pre-fab business

One of leading PEB player with an operating capacity of 126546 MTPA with plant in north, west and south India

Epac Prefab Technologies is engaged in pre-fab business, wherein it provide complete solutions to customers on turnkey basis which includes designing, manufacturing, installation and erection of pre-engineered steel buildings, pre-fabricated structures and its components in India and overseas. It also engaged in manufacturing of expanded polystyrene sheets and blocks (also referred as “EPS Block Molded” products and “EPS Shape Molded” products) for various industries such as construction, packaging, and consumer goods in India.

As a part of its pre-fab business, it offer pre-engineered steel buildings, pre-fabricated modular building structures, light gauge steel frames (“LGSF”), sandwich insulated panels and other standard modular solutions to its customers. The company also undertake projects on turnkey basis, wherein it provide complete pre-fabricated structures that involves estimation, designing, engineering, manufacturing, transportation, installation and erection of pre-fabricated structures at the site of the customer.

The EPS packaging business of the company provide a variety of EPS Shape Molded and EPS Block Molded products, including EPS Sheets, packaging boxes for electronic goods, and hand-molded packaging box. These are tailored to meet the specific packaging needs of its customers. EPS packaging business products of the company are known for their lightweight, insulating properties, impact resistance, making them ideal for various industries such as construction, packaging, and consumer durables.

It sell its pre-fab business products under the brand name ‘EPACK PREFAB’ and EPS packaging business products under the brand name ‘EPACK PACKAGING’. In FY25 revenue from operations about 84.07% came from pre-fab business segment and balance 15.93% came from EPS packaging business.

Pre-fab business of the company operates three manufacturing facility at Greater Noida (Uttar Pradesh), Ghiloth (Rajasthan) and Mambattu (Andhra Pradesh) with an aggregate installed capacity of 1,26,546 MTPA of pre-engineered capacity as on March 31, 2025. It also operates a Sandwich Insulated Panel manufacturing unit at Greater Noida (UP) with a capacity of 5,10,000 SQM [360000 SQM for Sandwich Insulated Panel & 150,000 SQM for EPS/Glasswool/Rockwool] as on March 31, 2025. The EPS packaging business has a plant at Greater Noida (UP) with a capacity of 8400 MTPA as on March 31, 2025.

Overall capacity utilization of the PEB units stands at 50.31% with capacity utilization of Greater Noida unit being 67.52%, Ghiloth unit being 61.98% and that of Mambattu unit being 34.17% in FY25. However the sandwich insulated panel unit and EPS packaging unit at Greater Noida operated at a utilization of 71.70% and 75.81% respectively.

In addition to manufacturing facilities, it also have three design centres located at Noida (Uttar Pradesh), Hyderabad (Telangana) and Vishakhapatnam (Andhra Pradesh). As of March 31, 2025, design & detailing team comprised 97 employees and their experience ranges from 1 to 20 years.

It plan to set up new manufacturing facility at Ghiloth (Rajasthan), which would add capacity of 800,000 SQM for manufacturing continuous sandwich insulated panel, which will enable it to capture more market share by providing long-span prefab buildings and newer end-use industries like cold storages and clean rooms. The new capacity addition at Ghiloth (Rajasthan) would help the company to cater to growing demand of pre-engineered steel buildings in Northern India and certain portions of Western India. Expansion at Unit 4 at Mambattu (Andhra Pradesh) will add an additional capacity of 24,000 MTPA built-up and other

pre-engineered capacity helping the company to tap market opportunities in Southern and some parts of Western India.

Some of its marquee customer base in Pre-fab business segment includes Safari Manufacturing, Century Panels, Havells India, Asahi India Glass, Avaada Electro, Talegaon Industrial Parks, India Glycols, JK Tyre and Industries, Gold Plus Float Glass, Haier Appliances (India). EPS packaging business' marquee customer includes one of the prominent companies in consumer durables space. Further 70.97% of revenue from operations of EPS packaging business is from top ten customers, which also include group companies i.e. East India Technologies and EPACK Durable.

The issue and object of the offer

The issue comprises both fresh issue of equity share aggregating to Rs 300 crore and offer for sale of 10000000 crore equity shares all by promoters, promoter family and promoter group companies.

Of the net proceeds from fresh issue, Rs 102.967 crore will be towards financing the capital expenditure requirements for setting up new manufacturing facility at Alwar (in Rajasthan) for manufacturing of continuous Sandwich Insulated Panels and pre-engineered steel building; Rs 58.173 crore for financing the capital expenditure towards expansion of existing manufacturing facility at Mambattu (Unit 4) in Andhra Pradesh for increasing the pre-engineered steel building capacity; Rs 70 crore for repayment and/or pre-payment of certain borrowings availed by the company; and balance for general corporate purposes.

Total borrowings as on July 31, 2025 was Rs 573.097 crore.

Strength

Strong and diverse market presence with comprehensive offerings in the growing pre-engineered steel buildings industry

Strategically located manufacturing facilities coupled with comprehensive in-house design and engineering capabilities and wide sales presence, provide it a significant strategic cost advantage. Proximity to ports from Mambattu (Andhra Pradesh), will enable the company to tap the growing demand of pre-engineered steel buildings in international markets.

Long-standing relationships with customers across a diverse set of industries

Extensive track record, pan-India presence, and integrated facilities for design, engineering, manufacturing, and project management, the company is well-positioned to benefit from the ongoing growth in the Indian and global pre-engineered steel building industry.

Unexecuted portion of the order book of pre-fab business stood at Rs 916.963 crore as end of March 31, 2025 up from Rs 630.211 crore as end of Mar 2024.

Weakness

Share of top 10 customers in case of pre-fab business was 25.18% and that of EPS packaging was 70.97% in FY25 and that is 35.9% and 76.01% in FY24.

Pre-Fab Business is dependent on the growth of the commercial, infrastructure, and industrial landscape and its EPS packaging business is dependent on consumer durables.

As per the non-compete agreement between the company, the promoters and group companies it has no right to engage in the ESM business (EPS Shape Molding Business) for all customers other than one of its customer in consumer durable space and EPACK Durable within radius of the registered office of East India Technologies (the group company) that is 300 KM of E19, Surajpur Industrial Area, Site B, Greater Noida, and Gautam Buddha Nagar (Uttar Pradesh).

Yet to execute a formal sale deed in respect of the land on which Mambattu (AP) plant is located/expanded as per the agreement with APIIC in Feb 2, 2024.

The company allotted 70,65,217 CCPS at a price of Rs 184/CCPS South Asia Growth Fund III Holdings LLC, South Asia EBT Trust III as per the share subscription and purchase agreement dated December 18, 2024 (“SSPA”) between the company, promoters and investors. Subsequently, pursuant to the circular resolution dated September 9, 2025, 7,065,217 CCPS collectively held by South Asia Growth Fund III Holdings LLC and South Asia EBT Trust III were converted into 8,143,094 and 95,021 Equity Shares, respectively, at a conversion ratio of 1:1.17. The acquisition price per CCPS at the time of allotment was Rs 184.00, however, the CCPS were converted into Equity Shares at a price of Rs 157.80 per share. Thus it is surviving obligations under the SSPA dated December 18, 2024, the occurrence of any such obligation event may cause a material adverse impact on the operations/cashflow of the company.

Has negative cash flow from investing activities.

Pre-fab business operations of it are primarily concentrated in the North, Central and West regions of the country with north & central together contributing 32.88% of pre-fab business revenue and west 31.95% with south accounting for 23.6% and east 11.37%.

Statutory Auditor has included certain emphasis of matter in audited financials of the company i.e. Epack Prefab Solutions, the subsidiary of the company has a negative net worth as of March 31, 2025.

Derive a significant portion of its revenue from pre-fab business vertical. Any decrease in demand of pre-fabricated buildings may impact business.

Depend on third-party erectors for the timely execution and completion of projects in pre-fab business. Any delay on the part of these third parties in project execution, failure to meet design and stability criteria may lead to collapse of buildings installed by it.

EPS packaging business is subject to various state and central government policies especially in respect of environment and pollution related policies. U.P. Pollution Control Board has already filed a complaint against the company under Section 14(2) of the Commission for Air Quality Management in National Capital Region and Adjoining Areas Act, 2021 (“Air Act”) for non-compliance of the directions under the Air Act. In case, the said complaint is decided against the company, it may impact the EPS packaging business of the company.

Extend credit to certain of its customers including group companies EPACK Durable and East India Technologies.

Nikhil Bothra, the whole-time director of the company is in possession of two Director Identification Numbers (“DIN(s)”) and is in the process of surrendering one of the DINs, which may expose him or the company to regulatory liabilities or penalties.

Using the “EPACK” logo to conduct business, as part of its corporate name, domain name extension and on other corporate material in compliance with terms of the trademark licensing agreement dated December 10, 2024 with its promoter EPack New Age Solutions, for a period of 25 years.

Have made certain non-compliance in respect of conduct of (i) AGM and filing of financial statement; (ii) loans to directors; and (iii) inaccuracies in filing of Form DPT-3.

Susceptible to volatility in steel prices, the major raw material. The operating margins are also volatile.

Valuation

Consolidated re-stated revenue for the fiscal ending March 2025 stood higher by 25% to Rs 1132.92 crore. With the OPM expanding by 80 bps to 10.4%, the growth of OP was up 35% to Rs 117.79 crore. Finally, net profit after MI was up by 38% to Rs 59.32 crore.

On expanded equity, the EPS for FY2025 was Rs 5.9. The issue price (on the upper price band) discounts the FY25 EPS by 34.6 times. The P/BV stood at 3.1 times and EV/Sales stood at 1.9 times.

In comparison, Interarch Building Products (IBPL) quotes at a PE of 32.4 times and a P/BV of 4.7 times and EV/sales of 2.3 times. Companies that have a sizeable PEB business i.e. Pennar Industries quotes at a PE of 28.2 times, a P/BV of 3.3 times and EV/sales of 1.2 times. Similarly another company with sizeable PEB business i.e. Everest Industries has reported net loss for FY25 and it quote a P/BV of 1.8 times and EV/sales of 0.8 times. Beardsell which is into EMS packaging quotes at a PE of 12.8 times, P/BV of 1.5 times and EV/sales of 0.5 times.

Epack Prefab Technologies : Issue Highlights	
Fresh Issue (Rs crore)	300
Offer for sale (in equity share nos.)	10000000
Price band (Rs.) **	
Upper	204
Lower	194
Post-issue equity (Rs crore)	
in Upper price band	20.09
in Lower Price Band	20.24
Post-issue promoter (including promoter group) stake (%)	64.54
Minimum Bid (in nos.)	73
Issue Open Date	24-09-2025
Issue Close Date	26-09-2025
Listing	BSE, NSE
Rating	44/100

Epack Prefab Technologies : Re-stated Consolidated Financials			
	2303 (12)	2403 (12)	2503 (12)
Sales	656.76	904.90	1133.92
OPM (%)	7.8	9.6	10.4
OP	51.53	86.99	117.79
Other income	3.73	1.47	6.57
PBIDT	55.26	88.47	124.37
Interest	12.33	17.27	24.25
PBDT	42.94	71.20	100.12
Depreciation	10.22	12.67	17.31
PBT	32.72	58.53	82.82
EO Exp	0.00	0.00	0.00
PBT after EO	32.72	58.53	82.82
Tax	8.73	15.52	21.57
PAT from Continuing Biz	23.99	43.01	61.25
Share of Profit from Associates	-0.02	-0.06	-1.92
PAT from Continuing Biz	23.97	42.96	59.32
Minority Interest	0.00	0.00	0.00
Net profit	23.97	42.96	59.32
EPS (Rs)*	2.4	4.3	5.9
* on post IPO fully dilluted equity (on upper price band) of Rs 20.09 crore. Face Value: Rs 2			
EPS is calculated after excluding EO and relevant tax			
Figures in Rs crore			
Source: Capitaline Corporate database			