

Friday, 12 September 2025

CM RATING 42 /100

# Euro Pratik Sales

## Decorating well

### One of India's largest brands in the organised decorative wall panel sector

Euro Pratik Sales (EPSL) is in the business of decorative wall panel and decorative laminates industry as a seller and marketer of decorative wall panels and decorative laminates. The company creates unique design templates for decorative wall panels and laminates, aligning with modern architectural trends, and was recognized as an innovator for products like Louvres, Chisel, and Auris.

Over the last seven years, EPSL has developed a diverse product portfolio, establishing a unique market in decorative wall panels and laminates for residential and commercial applications.

EPSL offers over 30 product categories and 3,000 designs in India, operating as a fast-fashion brand with 113 product catalogs launched in four years. The company offers eco-friendly, durable alternatives to traditional wall decoration products like wallpaper, wood, and paint. Its products are anti-bacterial, anti-fungal, made from recycled materials, and free from harmful heavy metals.

EPSL has a vast distribution network across 116 cities in India, covering metros to Tier-III cities. It also manages 180 distributors across 25 states and five union territories. It also exports to six countries including Singapore, UAE, and Australia. In FY2025 domestic revenues contributed 97.4% of the total revenues while export revenues contributed 2.6% of the total revenues.

EPSL acquired the business of Vougue Décor, Lamage Decor, Millenium Décor, controlling interest in Europratik Intex LLP and also through its subsidiary, Euro Pratik C Corp Inc, acquired a controlling interest of 50.10% in its step-down subsidiary, Euro Pratik USA, in FY 2025. Most of the acquired entities are related parties and were in the business of wall cladding, interior decorative panel, louvers and designer laminate.

### Object of the offer

The IPO consists of OFS of Rs 451.3 crore. The OFS the promoter group comprises up to 1,82,71,862 shares at the upper price band of Rs 247.

EPSL will not receive any proceeds from the offer. All the offer proceeds will be received by the selling shareholders, in proportion to the offered shares sold by the respective selling shareholders as part of the offer.

### Strengths

As per the Technopak report, EPSL is one of India's leading decorative wall panel brands and is one of the largest organized wall panel brands in India, with a market share of 15.87% by revenue in the organized decorative wall panels industry. Total revenue from the decorative wall panels sold was Rs 174.3 crore in FY 2023.

EPSL has a comprehensive product portfolio across various categories and includes a variety of decorative wall panel products with decorative and functional options catering to diverse architectural and design needs. It offers a range of over 30 product categories and over 3,000 designs.

EPSL has the experience and expertise to perceive and understand the changing trends characterized by rapidly changing technologies, price competition, evolving industry standards, growing awareness and keeping pace with changing preferences from consumers and consequent demands from distributors in the decorative wall panels and decorative laminates industry.

EPSL operates an asset-light business model with a focus on product design and development while the manufacturing process is outsourced to its contract manufacturing partners including global players such as Miga, South Korea, who possess the technology and know-how to manufacture the company's designs.

EPSL has an established distribution network which enhances its market presence and operational efficiency across India. The company has a distribution network of 180 distributors across 25 states and five union territories in India.

EPSL had negligible debt as on 31 March 2025 (total debt of Rs 2.7 crore). Also, the return ratios were healthy, with RoE of 39.2x and RoCE of 44.58x in FY2025.

### **Weaknesses**

Exchange rate fluctuations could adversely affect the margins as these did in Fiscals 2025, 2024 and 2023. Purchases in foreign currencies were Rs 115.3 crore, Rs 113.5 crore and Rs 138.6 crore, respectively, constituting 54.72%, 92.22% and 81.17%, respectively, of the total purchases.

Loss of contract manufacturers if not suitably replaced could materially affect the sourcing of the products.

Adverse developments in markets outside India or in India's trade policy could increase import costs, cause supply disruptions, cause delays in deliveries, reduce profit margins, and limit product availability.

Inability to expand or manage its growing distribution network, or any disruptions in the distribution chain could impact the growth prospects.

Experienced negative cash flows from operating activities in Fiscal 2025. Any similar negative cash flows from operating activities in future will affect the financial condition.

Operations are working capital intensive, with working capital days of 168 days in FY2025.

EPSL promoters, Jai Gunvantraj Singhvi and Pratik Gunvantraj Singhvi, have received an administrative warning from the SEBI. Such proceedings, or any further regulatory actions against the promoters, could impact reputation.

EPSL entered certain related party transactions in the ordinary course of business. These aggregated to 102.40%, 39.01% and 41.43% of the total revenue from operations in Fiscals 2025, 2024 and 2023, respectively. Such transactions could adversely affect operation.

The business is related to construction activity and infrastructure developments in India. Demand for products is largely dependent on the output of the construction and real estate industries. The performance of these sectors is influenced by the general economic conditions prevalent in India. A slowdown in the Indian economy could adversely affect the business, especially if such a slowdown were to be continued and prolonged.

### **Valuation**

Consolidated sales were up by 28.2% to Rs 284.3 crore in FY 2025. Growth in revenue was on account of consolidation of business due to acquisition of related parties, leading to increase in distributors from 97 in FY2024 to 180 in FY2025. OPM dropped 89 bps to 35.67%, resulting in a 25.1% increase in OP to Rs 101.39 crore. OI declined 13.2% to 7.30 crore, while interest cost increased 308.2% to Rs 4.0 crore. Depreciation increased 54.3% to Rs 5.31 crore. PBT stood at Rs 110.79 crore, up 19.2% as against in FY2024. Tax expenses increased 12.3% to Rs 24.35 crore. Net profit grew 22% to Rs 76.72 crore.

At the higher price band of Rs 247, the offer is made at a P/E of 32.7 times FY2025 EPS (of Rs 7.51).

Listed industry peers are Greenlam Industries, Stylam Industries and Rushil Decor. EPSL has an asset light business model, with an outsourced manufacturing process, while its peers have in-house manufacturing process. In comparison, Greenlam Industries trades at 186 times its P/ TTM EPS, Stylam Industries trades at 24.5 times its P/TTM EPS and Rushil Decor trades at 41.5 times its P/TTM EPS.

| <b>Euro Pratik Sales: Issue Highlights</b>                 |               |
|--|---------------|
| Fresh issue (in Rs crore)                                  | -             |
| Offer for sale (in Rs crore)                               | 451.3         |
| Offer for sale (in number of shares)                       |               |
| - in Upper price band                                      | 18271862      |
| - in Lower price band                                      | 19204894      |
| Price Band (Rs)  | 235-247       |
| For Fresh Issue Offer size (in no of shares)               |               |
| - in Upper price band                                      | -             |
| - in Lower price band                                      | -             |
| <b>Post issue capital (Rs crore)</b>                       |               |
| - in Upper price band                                      | 10.22         |
| - in Lower price band                                      | 10.22         |
| <b>Post issue Promoter and Promoter Group shareholding</b> |               |
| -On higher price band (%)                                  | 70.1%         |
| -On lower price band (%)                                   | 69.2%         |
| Bid Size (in No. of shares)                                | 60            |
| Issue open date  | 16/09/2025    |
| Issue close date   | 18/09/2025    |
| Listing  | BSE, NSE      |
| <b>Rating</b>  | <b>42/100</b> |

| <b>Euro Pratik Sales : Consolidated Financial</b> |           |           |           |
|---|-----------|-----------|-----------|
|   | 2303 (12) | 2403 (12) | 2503 (12) |
| Sales   | 263.58    | 221.70    | 284.23    |
| OPM (%)   | 29.85     | 36.56     | 35.67     |
| OP  | 78.67     | 81.05     | 101.39    |
| Other inc.  | 4.97      | 8.41      | 7.30      |
| PBIDT   | 83.63     | 89.46     | 108.68    |
| Interest  | 1.09      | 0.98      | 4.00      |
| PBDT  | 82.54     | 88.48     | 104.68    |
| Dep.  | 2.39      | 3.44      | 5.31      |
| PBT   | 80.15     | 85.04     | 99.37     |
| Share of profit/loss from JV                      | -         | -0.46     | 1.42      |
| PBT Before EO                                     | 80.15     | 84.58     | 100.79    |
| Exceptional items                                 | -         | -         | -         |
| PBT After EO                                      | 80.15     | 84.58     | 100.79    |
| Total Tax   | 20.58     | 21.67     | 24.35     |
| PAT   | 59.57     | 62.907    | 76.44     |

|  |       |       |       |
|--|-------|-------|-------|
| Minority Interest  | -     | -     | -0.28 |
| Net Profit   | 59.57 | 62.91 | 76.72 |
| EPS (Rs)*  | 5.83  | 6.16  | 7.51  |
| EPS is on post issue equity capital of Rs 10.22 crore of face value of Rs 1 each |       |       |       |
| Figures in Rs crore  |       |       |       |
| Source:Euro Pratik Sales Issue Prospectus  |       |       |       |