

Saturday, 27 September 2025

CM RATING 44 /100

# Fabtech Technologies

## Specialized EPC player

### Comprehensive turnkey engineering solutions for pharmaceuticals, biotech and healthcare companies

Fabtech Technologies, promoted by Aasif Ahsan Khan, Hemant Mohan Anavkar and Aarif Ahsan Khan, specializes in offering turnkey engineering solutions for pharmaceuticals, biotech and healthcare companies. It covers the entire project lifecycle and focuses on three key elements: bio air, clean water, and process.

The company has a track record of executing projects for various dosage forms such as tablets, capsules, liquids, injectables, and semisolids. It caters to a wide range of products, from oncology drugs to over-the-counter medications.

The company has adopted an asset-light approach. It procures key equipment and materials from related entities to reduce its dependence on third party suppliers.

The footprints span more than 62 countries globally including some of key emerging economies like Bangladesh, Egypt, Ethiopia, India, Kenya, Kingdom of Saudi Arabia, Morocco, Nicaragua, Nigeria, South Africa, Turkey, UAE, USA and Tanzania. Since incorporation and till July 31, 2025, the company had completed 51 projects. Countries forming part of Gulf Cooperation Council (GCC), Middle East and North African (MENA) and Economic Cooperation Organization (ECO) regions accounted for 49.75%, 9.67% and 18.11% of revenue in FY25 and 31.88%, 37.65% and 25.98% in FY24.

The order book as of end July 31, 2025, stood strong at Rs 904.4187 crore, up from Rs 476.2345 crore as of end of March 2025. The order book end of March 2025 was diversified, with 17.99% of the orders from GCC countries, 38.87% from MENA, 26.85% from ECO Zone, 16.21% from SEA. About 99.88% of the order book comprises private customers, with 96.74% turnkey solutions and 3.26% standalone services. The value of orders in FY25 was Rs 476.2345 crore (up from Rs 403.5023 crore in FY24). The bid/proposal to order conversion ratio increased to 10.24% in FY25, from 8.98% in FY24.

Though incorporated in 2018, the business of offering turnkey engineering solutions was transferred to it from Fabtech Technologies International Private Limited (formerly known as Fabtech Technologies International Limited) (FTIPL), pursuant to the Scheme of Arrangement in 2020.

### The issue and object of the offer

The issue comprises only of fresh issue of equity shares upto 1,20,60,000 of Rs 10 each.

Of the net proceeds from fresh issue, Rs 127 crore is for funding the working capital requirement, Rs 30 crore is for pursuing inorganic growth initiatives through acquisitions, and balance for general corporate purposes.

### Strengths

Offers comprehensive start-to-finish solutions, encompassing designing, engineering, procurement, installation and testing of pharmaceutical equipment for a wide range of customers, and targeted solutions across the value chain.

Established track record in executing pharmaceutical projects across a diverse range of dosage forms, encompassing, liquids, solids, and semisolids.

Scalable, asset-light and less capital-intensive business model

The order book as end of July 31, 2025 was diversified and stood strong at Rs 904.4187 crore, that is, 2.77 times of the FY25 revenue.

Gradually increasing business from customers operating in the non-pharmaceutical space such as nutraceuticals and good manufacturing practices certified fast moving consumer goods. In FY25, about 73.96% of revenue came from pharmaceuticals, healthcare and biotech industries, with balance 26.04% from others compared to 94.35% from pharmaceuticals, healthcare and biotech industries in FY24 and 94.6% in FY23.

Parent Fabtech Group has an operating history of more than two decades in India and across geographies.

### **Weaknesses**

Procures a significant portion of equipment and materials from its associate, promoter group entities and group companies. Expenditure incurred towards purchase of equipment through related entities in FY25 was 25.68% of the total procurement costs.

Derives a substantial portion of its revenue from a limited number of projects (forming part of the order book). Top 5/10/20 projects contributed 56.06%, 73.71% and 87.69% of revenue in FY25, respectively, and accounted for 62.38%, 87.01% and 96.88% of the order book as of end of March 2025. So, any loss or delay in any one of the large projects affects performance.

Inability to win new contract will affect growth.

Experienced negative cash flow from operations in the past.

Most of the ongoing projects are in countries forming part of GCC, MENA and ECO regions.

International operations expose it to complex project management, legal, tax and economic risks, and exchange rate fluctuations.

Has not entered any non-compete agreement with group companies, and there can be no assurance they will not compete with existing business. Currently FT Institutions ( a subsidiary) and its group companies Fabtech Technologies International and F Plus Healthcare Technologies are engaged in similar business.

The statutory auditors have included certain qualifications in the annexure to their audit report on the Companies (Auditor's Report) Order, 2016 / Companies (Auditor's Report) Order, 2020, for the years ended March 31, 2024, and March 31, 2025.

Majority of customers operate in the pharmaceutical, healthcare and biotech sectors.

Restrictions on work permits and travel or delay in arranging for visa may affect ability to provide services to clients.

Some instances of incorrect and delayed filings with the Registrar of Companies and other non-compliances under the Companies Act, 2013, in the past.

Has purchased a land parcel from one of its group companies, Fabtech Technologies International Private Limited.

Does not own the trademark 'Fabtech'. It is being used under license agreement with group company Fabtech Technologies International.

There have been certain instances of delays in payment of statutory dues in the past.

Yet to identify specific targets for undertaking strategic investments for which funds are being raised.

Trade receivables as of end of March 2025 were Rs 150.74 crore (up from Rs 96.66 crore end FY24), that is, 0.46 times FY25 sales.

## Valuation

Consolidated re-stated revenue for the fiscal ending March 2025 stood higher by 44% to Rs 326.67 crore. With the OPM contracting 350 bps to 11.5%, the growth of OP was 11% to Rs 37.68 crore. Finally, net profit after MI was up by 71% to Rs 46.45 crore, powered by higher OI and higher EO income.

On expanded equity, the EPS for FY2025 was Rs 7.4. The issue price (on the upper price band) discounts the FY25 EPS 16.4 times. The P/BV stood at 1.7 times and EV/Sales stood 1.7 times.

There are no listed companies in India that are of comparable size from the same industry and with a similar business model. However, HVAX Technologies provides engineering solutions to pharmaceuticals, biotech and healthcare industries and quotes at a PE of 24.8 times its FY25 EPS. HVAX Technologies' P/BV and EV/sales are 3.8 times and 2.3 times. Though not comparable in terms of size, large EPC players such as L&T and Engineers India quote at a PE of 33.2 times and 20 times, respectively. Industrial EPC players such as Atmastoc and Ranaq International quote at PE of 26.8 times and 18.9 times, respectively.

Fabtech Technologies : Issue Highlights	
Fresh Issue (in equity share nos.)	12060000
Offer for sale (in equity share nos.)	0
Price band (Rs.) *	
Upper	121
Lower	115
Post-issue equity (Rs crore)	44.45
Post-issue promoter (including promoter group) stake (%)	68.94
Minimum Bid (in nos.)	75
Issue Open Date	29-09-2025
Issue Close Date	01-10-2025
Listing	BSE, NSE
Rating	44 /100

Fabtech Technologies : Re-stated Consolidated Financials				
	2303 (12)	2403 (12)	2503 (12)	
Sales	193.80	226.14	326.67	
OPM (%)	11.7	15.0	11.5	
OP	22.63	33.90	37.68	
Other income	6.11	4.47	9.27	
PBIDT	28.74	38.37	46.96	
Interest	2.58	1.90	2.09	
PBDT	26.16	36.47	44.87	
Depreciation	1.90	2.08	2.61	
PBT	24.26	34.39	42.26	
EO Exp	0.00	0.00	-17.85	
PBT after EO	24.26	34.39	60.11	
Tax	6.17	8.55	13.98	
PAT from Continuing Biz	18.10	25.84	46.13	

Share of Profit from Associates	3.64	1.38	0.32
PAT from Continuing Biz	21.73	27.22	46.45
Minority Interest	0.00	0.00	0.00
Net profit	21.73	27.22	46.45
EPS (Rs)*	4.9	6.1	7.4
* on post IPO fully dilluted equity of Rs 44.45 crore. Face Value: Rs 10			
EPS is calculated after excluding EO and relevant tax			
Figures in Rs crore			
Source: Capitaline Corporate database			