

August 20, 2025

Epac Prefab Technologies Limited: Ratings reaffirmed

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term - Fund based- Cash Credit	172.00	172.00	[ICRA]A (Stable); reaffirmed
Long term - Fund based- Term Loan	278.34	278.34	[ICRA]A (Stable); reaffirmed
Short term - Non-fund Based	166.00	166.00	[ICRA]A2+; reaffirmed
Total	616.34	616.34	

[^]Instrument details are provided in Annexure-I

Rationale

The reaffirmation of the ratings assigned to Epac Prefab Technologies Limited (EPTL) factors in its established track record of operations, with its promoters having an extensive experience of more than two decades in the prefabricated structure (prefab) and expanded polystyrene (EPS) business. This has enabled EPTL in developing long relationships with its key clientele, ensuring repeat orders. The ratings also factor in EPTL's healthy financial risk profile, supported by a sustained growth in its revenues and earnings, backed by a strong order inflow in the prefab and steady demand in the EPS division. EPTL's revenues have increased at a CAGR of around 36% over the last five years and ICRA expects the company's revenues to continue to grow at a healthy rate over the near-to-medium term, backed by a strong order book of around Rs. 1,140 crore in the prefab segment as of July 2025.

EPTL has a comfortable financial profile, marked by a gearing and total debt/ OPBDITA of 0.6 times and 1.8 times, respectively as on March 31, 2025. Moreover, the company has an adequate liquidity position, backed by strong cashflow generation and cash and cash equivalents of Rs. 157.6 crore as on March 31, 2025. ICRA has also noted the company's fund-raising plan through a prospective initial public offering (IPO), for which it has already filed its draft red herring prospectus (DRHP) in January 2025. ICRA will continue to monitor the developments in this regard.

The ratings, however, continue to be constrained by the limited pricing flexibility owing to intense competition, especially in the prefab business, which is tender driven. The ratings also factor in the susceptibility of the company's profitability to fluctuations in raw material prices, as the price of the key inputs for the EPS division depends on crude oil prices while steel is the key raw material for the prefab division.

The Stable outlook on the long-term rating reflects ICRA's opinion that growth in EPTL's revenues and earnings will be supported by healthy demand outlook across both the business segments, along with increasing capacities and established position in the prefab division.

Key rating drivers and their description

Credit strengths

Established operational track record and extensive experience of the promoters – EPTL benefits from the extensive experience of its promoters who have been present in the EPC and prefab industries for more than two decades. Additionally, the promoters also have interest in other industries like consumer durables, electronic manufacturing services and thermocol packaging through various Group entities. Supported by the same, EPTL has been able to maintain a strong track record of operations with a substantial increase in the prefab capacities over the last few years, leading to a strong growth in revenues generated by the division.

Established and diversified clientele – EPTL enjoys established relationships with its customers, which ensure repeat orders. The company's EPS division supplies primarily to the leading consumer durable player, LG. Customers in its prefab division belong to diversified industries and include companies in the public and private sectors such as Airport Authority of India, Adani Port, JSW Group, JK Tyre, Hero Motocorp, Siemens, Larson & Toubro, and the Tata Group, among others. The overall revenues are also well diversified, with no major dependence on a single customer (or a group of customers).

Strong growth in revenue in recent years; momentum expected to sustain – Over the last five years, EPTL's revenues have increased at a healthy CAGR of 36% with revenue of Rs. 1,133.9 crore in FY2025 against Rs. 245.1 crore in FY2020. This has been driven by a healthy growth momentum in the prefab division, which has increased at a CAGR of around 55% over the same period. The growth has been backed by repeat orders from an established clientele and ample investments in capacity expansion to support the growth in revenues over the last few years. Revenue growth in the EPS division has also been stable, in line with the demand of the consumer durable industry.

Comfortable financial risk profile – EPTL has a comfortable financial risk profile, which has steadily improved over the last few years, backed by a healthy growth in the company's revenues and earnings and the private equity investment of around Rs. 130 crore, received from GEF Capital Partners in FY2025. As on March 31, 2025, it had a gearing and Total Debt/OPBDITA of 0.6 times and 1.8 times, respectively, and the interest coverage for FY2025 stood at 4.9 times. Moreover, debt protection metrics (including total debt/OPBDITA) are expected to strengthen further over the medium term, supported by the reduction in debt following scheduled repayments, coupled with the expectations of no major debt-funded capex requirements over the near-to-medium term.

Credit challenges

Profitability vulnerable to fluctuation in raw material prices – The prefab division's profitability is vulnerable to fluctuation in raw material prices and competitive pressure. While some contracts have a price escalation clause, back-to-back arrangement for raw material (~60% of total requirements) procurement mitigates the risk to an extent. The price of the key input for the EPS division is linked to crude oil. However, there are price escalation clauses, and the company can pass on the rise in input cost to most of its customers. Thus, fluctuations are seen in the company's operating margins, and the same is expected to be range bound, depending on the revenue mix.

Intense competition in industry – The EPS and prefab industries are intensely competitive due to various organised and unorganised players in the field. However, EPTL's strong position as a leading EPS supplier to LG acts as an entry barrier. Intense competition, particularly in the prefab industry, given the tender-based nature of the prefab business, limits its pricing power, and thus its profitability.

Liquidity position: Adequate

EPTL's liquidity is supported by a healthy cash flow generation and cash and cash equivalents of Rs. 157.6 crore as on March 31, 2025, in addition to undrawn fund-based working capital limits of around Rs. 26 crore (based on drawing power). The company has planned a capex of Rs. 200-250 crore for FY2026-FY2028, which will be largely funded through its internal accruals and available liquidity.

Rating sensitivities

Positive factors – An upgrade in ratings would be driven by the healthy growth in revenue and earnings, while maintaining comfortable credit metrics and liquidity position on a sustained basis.

Negative factors – A significant decline in revenue and profitability, and/or a deterioration in its working capital cycle, constraining its liquidity, would result in revision of outlook or downgrade of the ratings. In terms of specific credit metric, Total Debt/OPBDITA of more than 2.0 times on a sustained basis will be a negative rating trigger.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company

About the company

EPTL, established in 1999, is involved in manufacturing prefabricated structures and EPS packing products. This is a part of Epack Group based out of Noida, promoted by Singhanian and Bothra families. Epack Prefab has primarily two divisions, EPS packaging and prefabricated structures. The company is the biggest supplier of moulded thermocol (used as a packaging material for consumer durable products) to LG Electronics India Private Limited. In the prefabricated structures, the company is growing at a rapid pace and the major customers include Airport Authority of India, JSW Group, Hero Motocorp, Larson & Toubro, Tata Group among others. The EPS packaging division has been expanding with the growth of the consumer durable industry while there has been exponential growth in prefabricated structures division due to low cost and quicker execution. The company had raised Rs. 130 crore of compulsorily convertible preference shares (CCPS) from GEF Capital Partner. The Group is known as Epack Group, established by Bothra and Singhanian families in 1999 and comprises companies in contract manufacturing of consumer durable and components, EPS and prefab.

Key financial indicators (audited)

EPTL – Standalone	FY2024	FY2025
Operating income	904.9	1,133.9
PAT	43.0	61.2
OPBDITA/OI	9.6%	10.4%
PAT/OI	4.8%	5.4%
Total outside liabilities/Tangible net worth (times)	2.6	1.6
Total debt/OPBDITA (times)	1.7	1.8
Interest coverage (times)	5.0	4.9

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Note: All financial ratios as per ICRA's calculation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current year (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	August 20, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Cash credit	Long Term	172.00	[ICRA]A (Stable)	24-Jan-2025	[ICRA]A (Stable)	31-Mar-2024	[ICRA]A- (Stable)	15-Feb-2023	[ICRA]A- (Stable)
Term loans	Long Term	278.34	[ICRA]A (Stable)	24-Jan-2025	[ICRA]A (Stable)	31-Mar-2024	[ICRA]A- (Stable)	15-Feb-2023	[ICRA]A- (Stable)
Letter of credit/ bank guarantee	Short-term	166.00	[ICRA]A2+	24-Jan-2025	[ICRA]A2+	31-Mar-2024	[ICRA]A2+	15-Feb-2023	[ICRA]A2+

Note - Amount in Rs. crore

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term - fund based- cash credit	Simple
Long term - fund based- term loan	Simple
Short term - non-fund based	Very simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit	NA	NA	NA	172.00	[ICRA]A (Stable)
NA	Term loans	Apr 2023	9-9.5%	Mar 2030	278.34	[ICRA]A (Stable)
NA	Letter of credit/ bank guarantee	NA	NA	NA	166.00	[ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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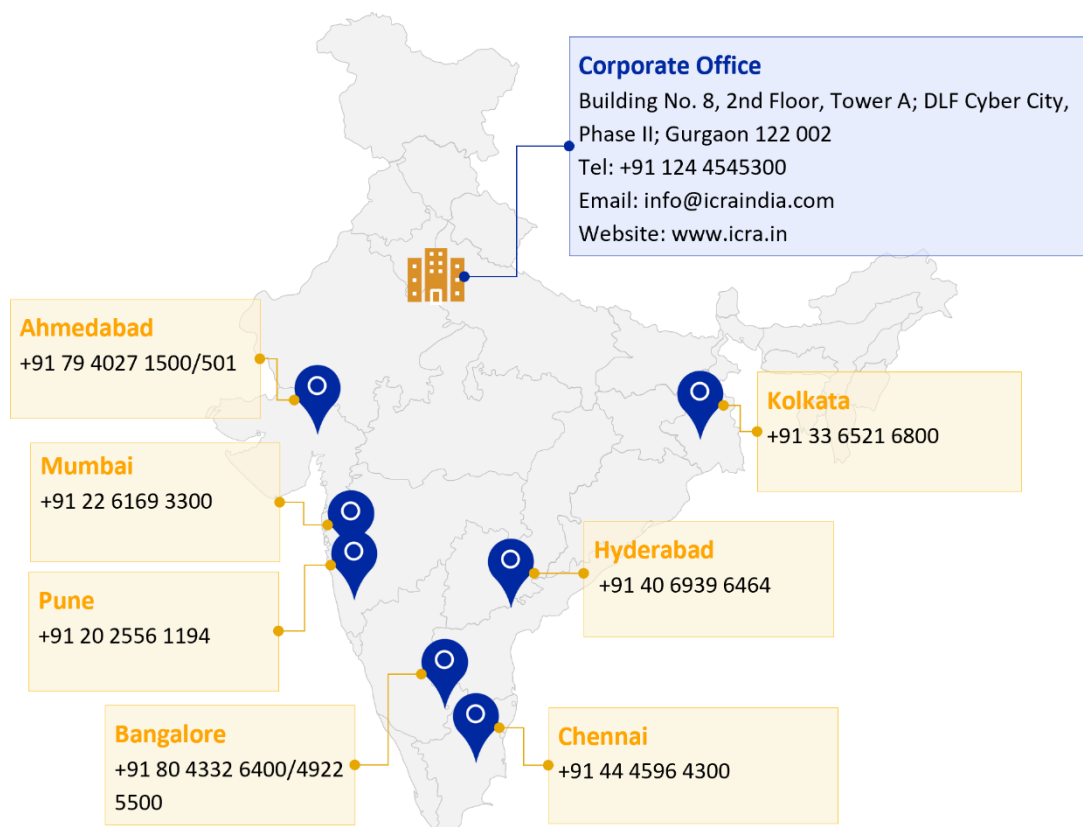


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