

October 14, 2025

## Epac Prefab Technologies Limited: Ratings upgraded to [ICRA]A+ (Stable)/ [ICRA]A1 from [ICRA]A (Stable)/[ICRA]A2+

### 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); Rating upgraded from [ICRA]A (Stable)
Long term - Fund based- Term Loan	278.34	278.34	[ICRA]A+ (Stable); Rating upgraded from [ICRA]A (Stable)
Short term - Non-fund Based	166.00	166.00	[ICRA]A1; Rating upgraded from [ICRA]A2+
<b>Total</b>	<b>616.34</b>	<b>616.34</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings upgrade of Epac Prefab Technologies Limited (EPTL) factors in the strengthening of its financial profile, driven by a healthy increase in the company's net worth through equity infusion of Rs. 300 crore through its recently concluded initial public offer (IPO) and expected improvement in EPTL's debt protection metrics over the near-to-medium term, driven by planned debt reduction (through IPO proceeds) and a healthy increase in its earnings, without any material rise in debt level.

EPTL's revenues rose at a CAGR of around 36% over the past five years till FY2025 and are expected to sustain a healthy double digit growth momentum over the medium term, aided by its robust order book of around Rs. 1,140 crore as of July 2025, in the prefab division. The ratings continue to factor in EPTL's established track record of operations, with its promoters having extensive experience of more than two decades in the prefabricated structure (prefab) and expanded polystyrene (EPS) businesses. This has enabled the company to develop long relationships with its key clientele, ensuring repeat orders.

ICRA notes that as a part of its business strategy, EPTL may pursue inorganic growth opportunities to enhance its revenue, customer and geographical base. ICRA understands that the same is likely to be funded through existing surplus liquidity available. The impact of such investments on the company's business and credit profiles would be closely monitored.

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. EPTL's revenue growth remains susceptible to the private sector capex trends in the economy. However, diversified end-user industries of its products and increasing adoption of prefab structures mitigate the risk of demand slowdown to an extent.

The Stable outlook on the long-term rating reflects ICRA's opinion that EPTL's credit profile will be supported by a healthy growth in revenues and earnings, along with sustenance of a comfortable capital structure and liquidity position.

## Key rating drivers and their description

### Credit strengths

**Established operational track record and extensive experience of 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 interests 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% and the same stood at Rs. 1,133.9 crore in FY2025 against Rs. 245.1 crore in FY2020. The company's revenues were driven by a healthy growth momentum in the prefab division, which rose at a CAGR of around 55% over the same period. The same has been backed by repeat orders from an established clientele and ample investments in capacity expansion to support growth in revenues over the last few years. Revenue increase 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 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 an interest coverage of 4.9 times. Moreover, debt protection metrics (including total debt/OPBDITA) are expected to strengthen further over the near term (estimated at around 0.5-0.7 times for FY2026), supported by reduction in debt following scheduled repayments, coupled with 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 competition. 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 margin, and the same is expected to be range bound, depending on the revenue mix.

**Exposed to intense competition in industry** – 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.

### Environmental and social risks

**Environmental considerations:** EPTL operates in the prefabricated building solutions segment, which primarily involves steel structures and insulated panels. Manufacturing of steel-based components and sandwich panels is energy intensive and contributes to carbon emissions. Compliance with environmental norms related to emissions, waste disposal, and energy

efficiency is critical. Any tightening of sustainability regulations or introduction of carbon taxes could increase operating costs. Additionally, Worker safety during fabrication and installation of large structures remains key.

### Liquidity position: Adequate

EPTL's liquidity is adequate, supported by a healthy cash flow generation and cash and cash equivalents of around Rs. 343 crore as on September 30, 2025, in addition to undrawn fund-based working capital limits. The company has planned a capex of Rs. 100-120 crore for FY2026 and Rs. 150-200 crore for FY2027, which will be largely funded through its internal accruals and available liquidity. A part of IPO proceeds is also available for capex and repayment of existing debt. EPTL also receives interest-free advances from customers, which is 10-15% of the order value. Most working capital requirements are addressed through letter of credit (LC)-backed creditors and bank guarantee (BG) offered for mobilisation advances in the prefab division. Thus, timely availability of this funding remains crucial.

### Rating sensitivities

**Positive factors** – An upgrade in ratings would be contingent upon a sustained healthy growth in revenue and profitability, coupled with sustenance of strong credit metrics and a comfortable liquidity position.

**Negative factors** – A material decline in revenue and profitability, or any significant deterioration in the working capital cycle that constrains liquidity, could result in ratings downgrade. Additionally, a Total Debt/OPBDITA ratio exceeding 1.8 times on a sustained basis may also lead to ratings downgrade.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company

### About the company

EPTL (formerly known as Epack Polymers Private Limited), a part of the Epack Group, established in 1999, is involved in manufacturing EPS thermocol products and prefabricated structures. Its manufacturing facilities are in Greater Noida (Uttar Pradesh), Ghiloth (Rajasthan) and Mambattu (Andhra Pradesh). EPTL has received ~Rs. 130 crore of PE fund in December 2024 in the form of compulsory convertible preference shares (CCPS) from GEF Capital Partners. Additionally, the company has recently concluded fund raise worth Rs. 300 crore. EPTL is promoted by Singhanian and Bothra families.

The promoters have interests in Epack Durable Limited (EDL), which manufactures room air conditioners, induction cooktops, juicer-mixer-grinders, water coolers and water dispensers for customers such as Voltas, Havells, Godrej, Whirlpool, Haier, Blue Star, Philips, and Bajaj. Another group company, East India Technologies Private Limited (EITPL) also manufactures EPS and electronic parts for customers such as Samsung, Whirlpool, Schneider Electric, and Panasonic. EITPL manufactures printed circuit boards (PCBs) from its electronic manufacturing services (EMS) division. The Group recently commenced operations of Epack Petrochem Solutions Private Limited, which manufactures EPS resin, ensuring backward integration and providing raw materials to manufacture EPS packaging.

## Key financial indicators (audited)

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

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three year

Instrument	Type	Current ratings (FY2026)				Chronology of rating history for the past 3 years					
		Amount Rated (Rs. crore)	FY2026			FY2025		FY2024		FY2023	
			Oct 14,2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based-Cash Credit	Long Term	172.00	[ICRA]A+ (Stable)	Aug 20, 2025	[ICRA]A (Stable)	Jan 24, 2025	[ICRA]A (Stable)	Mar 31, 2024	[ICRA]A- (Stable)	Feb 15, 2023	[ICRA]A- (Stable)
Fund Based-Term Loan	Long Term	278.34	[ICRA]A+ (Stable)	Aug 20, 2025	[ICRA]A (Stable)	Jan 24, 2025	[ICRA]A (Stable)	Mar 31, 2024	[ICRA]A- (Stable)	Feb 15, 2023	[ICRA]A- (Stable)
Non Fund Based-Others	Short-term	166.00	[ICRA]A1	Aug 20, 2025	[ICRA]A 2+	Jan 24, 2025	[ICRA]A 2+	Mar 31, 2024	[ICRA]A 2+	Feb 15, 2023	[ICRA]A2 +

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term-Fund Based-Term Loan	Simple
Long Term-Fund Based-Cash Credit	Simple
Short Term-Non Fund Based-Others	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]A1

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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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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