



BUSINESS PLAN · INDIA

Prefab / Modular Construction Business

Quality, fast, cost-certain buildings via engineered prefab systems

CONSTRUCTION

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

August 2026

This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Prefab / Modular Construction Business** in India — a pre-engineered & modular construction firm that designs, factory-fabricates & site-erects pre-engineered buildings (PEB steel structures for warehouses/factories), modular/portable structures (site offices, cabins, labour camps), & modular building systems, offering speed, quality & cost-certainty versus conventional construction. It earns fabrication-plus-erection margins on factory-made structures, monetising India's demand for fast, quality, scalable buildings (warehousing, industrial, infra, institutional) & the shift to prefab/PEB — a factory-capex-, utilisation- & project-driven manufacturing-plus-construction business.

Prefab/PEB & modular construction is growing fast in India, driven by the warehousing & logistics boom, industrial/factory demand, infrastructure, institutional needs & the advantages of speed (much faster than conventional), quality (factory-controlled), & cost-certainty. A prefab firm combines factory fabrication (capex/utilisation) with site erection & project execution, with the key levers being factory utilisation, design/engineering, steel/material cost & efficiency, erection execution & order book. It is factory-capex- & steel-price-sensitive with project execution; success rests on utilisation, design/engineering, cost efficiency & order book.

This is a capital-intensive manufacturing-plus-construction business — funded by promoter equity plus bank finance (term for factory/plant + CC/OD & project finance for working capital; advances & milestones fund projects). This plan models a prefab/PEB firm requiring **₹2.5 crore** (₹85 lakh promoter + ₹1.65 crore bank finance), targeting **₹8 crore** revenue in Year 1 and **₹16 crore** by Year 3. (*Prefab/PEB & modular; factory-capex/utilisation-driven, speed/quality/cost-certainty, steel-price- & project-sensitive.*)

2. Business Description, Vision & Legal Structure

Concept: A prefab/modular construction firm - PEB steel structures, modular/portable buildings & systems - factory-fabricated & site-erected for speed, quality & cost-certainty.

Vision: To build faster, better & more predictably with prefab/modular construction.

Mission: Deliver quality, fast, cost-certain buildings via engineered prefab systems.

Legal structure options

- **Private Limited** — recommended (for factory, contracts, finance & scale).
- **LLP** — possible, but factory capex & contracts favour a company.

Regulatory anchor: a prefab firm is a factory (fabrication) + construction (erection) business — Factories Act & factory licence, GST, pollution CTE/CTO (fabrication/welding/painting), fire & labour (factory + site BOCW), structural/design codes (IS/MBMA for PEB), building approvals (client-side), & contract/works agreements (design-supply-erect). Factory utilisation, design/engineering, steel/material cost & efficiency, erection execution & order book determine success; factory-capex- & steel-price-sensitive with project execution.

3. Promoter & Ownership

Led by a promoter with structural/civil engineering, PEB/fabrication or construction experience & industry relationships. The team includes design/engineering (structural/PEB), factory/fabrication, erection/site teams, estimation/sales & procurement. Design/engineering, factory utilisation, cost efficiency & execution are the differentiators. Ownership & stakes are editable

inputs.

4. Market Analysis — India

India's prefab/PEB & modular construction market is growing rapidly, driven by the warehousing & logistics boom (Grade-A warehouses), industrial/factory expansion (Make-in-India), infrastructure, institutional (schools/hospitals) & the clear advantages of speed, factory-quality & cost-certainty over conventional construction. Demand spans PEB (industrial/warehouse) & modular/portable (offices, camps, quick buildings). The market rewards design/engineering, factory utilisation, cost efficiency, erection execution & delivery speed; it is order-book-, steel-price- & utilisation-sensitive & competitive, met with engineering, utilisation, cost & execution.

Demand drivers

- **Warehousing & logistics** boom (PEB).
- **Industrial/factory expansion** (Make-in-India).
- **Speed, quality & cost-certainty** advantage.
- **Infrastructure & institutional.**
- **Modular/portable** (offices/camps/quick builds).

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Prefab/PEB & modular in India	Large & fast-growing
SAM	Region & segment	Substantial
SOM (Yr 1–3)	Projects / tonnage / factory capacity	Scaling

Target segments

- Warehousing & logistics (PEB).
- Industrial/factory buildings.
- Institutional & infrastructure.
- Modular/portable (offices/camps).

5. Competition & Competitive Advantage

Landscape: large PEB players (Kirby/Interarch/Tata BlueScope), other prefab/modular firms, conventional contractors & imports. The firm competes on design/engineering, price/cost, delivery speed, quality & execution.

The firm's edge

- **Design/engineering & customisation.**
- **Factory utilisation & cost efficiency.**
- **Speed & delivery.**
- **Quality & execution (erection).**
- **Order book & relationships.**

6. Products & Revenue Model

Stream	Model	Basis
PEB (design-supply-erect)	Per-tonne / project margin	Core
Modular / portable buildings	Per-unit / project margin	Margin/volume
Supply-only (fabrication)	Fabrication margin (lower WC)	Utilisation
Design/engineering services	Fee/value-add	Margin/stickiness
Modular systems & add-ons	Margin	Attach

PEB (design-supply-erect) is core, priced per-tonne/project; modular/portable adds volume; supply-only (fabrication) drives utilisation with lower WC; design/engineering adds margin & stickiness. Factory utilisation, design/engineering efficiency, steel/material cost & erection execution drive economics — the decisive prefab levers; utilisation & steel-cost management against thin-ish margins are central.

7. Go-to-Market — Marketing & Sales

- **B2B & industrial/warehouse** business development.
- **Developers, logistics & industrial** clients.
- **Design/engineering & speed** as value.
- **Consultants/architects & tenders.**
- **Track record & referrals.**

Sales approach

Win projects (B2B/industrial/warehouse BD, developers/logistics, consultants, tenders) → design/estimate & award (advance) → fabricate (factory utilisation) & erect (speed/quality) → milestone billing & delivery → grow via track record & referrals. Design/engineering, factory utilisation, speed & execution build the order book.

8. Operations Plan

- **Factory & plant:** fabrication facility (cutting/welding/painting lines for steel/PEB), design/engineering (STAAD/Tekla), material handling; erection equipment/teams.
- **Process:** design/engineering → estimate/award → steel procurement → factory fabrication → transport → site erection → handover.
- **Utilisation & cost:** factory utilisation/tonnage, steel-cost management, fabrication efficiency, erection productivity.
- **Quality & codes:** structural codes (IS/MBMA), QC, welding standards, erection safety.
- **Compliance:** factory (fabrication) + site (erection/BOCW), pollution, structural codes, building approvals (client-side).

Prefab workflow

Stage	Activity	Metric
Design	Engineering/estimate	Win rate/margin
Procure	Steel/material	Cost/steel-price

Fabricate	Factory	Utilisation/tonnage
Erect	Site erection	Speed/quality
Handover	Milestone/deliver	On-time/cash flow

9. Regulatory, Licences & Compliance (India)

- **Factory & environment:** Factories Act & factory licence; pollution CTE/CTO (welding/painting); fire; factory labour/ESI/PF.
- **Site & safety:** site labour (BOCW), erection safety; structural/design codes (IS/MBMA for PEB).
- **Business & tax:** Pvt Ltd; GST; PAN/TAN; Udyam; contractor registration (as relevant).
- **Contract:** design-supply-erect agreements (design responsibility, milestones, retention).

10. Organisation & Manpower Plan (core; erection labour part-variable)

Role	Yr 1	Yr 2	Yr 3
Promoter & leadership	2	3	4
Design/engineering	4	7	11
Factory/fabrication	16	26	40
Erection & site teams	6	11	18
Sales, procurement & admin	4	6	9
Total	32	53	82

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-5	Factory, plant, design capability, licences, first projects
Ramp	Month 5-11	Utilisation, projects, erection, track record
Traction	Month 11-12	Utilisation & execution; ₹8cr revenue
Grow	Year 2	Capacity, warehouse/industrial, modular, order book
Scale	Year 3	₹16cr revenue; utilisation & capacity scale

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. Prefab/PEB; factory-capex/utilisation-driven, steel-price- & project-sensitive.

12.1 Project cost & means of finance

Capital requirement	₹
---------------------	---

Factory, plant & fabrication equipment	1,30,00,000
Erection equipment & design software	25,00,000
Working capital (steel/material, WIP, RA-lag)	60,00,000
Setup, licences & pre-operative	20,00,000
Contingency	15,00,000
Total project cost	2,50,00,000
Promoter contribution	85,00,000
Bank finance (term + CC/project; CGTMSE/SIDBI)	1,65,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
PEB (design-supply-erect)	5,80,00,000	9,50,00,000	11,50,00,000
Modular / portable & systems	1,70,00,000	3,00,00,000	3,80,00,000
Supply-only & design services	50,00,000	80,00,000	70,00,000
Total revenue	8,00,00,000	13,30,00,000	16,00,00,000
Steel/material & consumables	5,60,00,000	9,25,00,000	11,05,00,000
Factory & erection labour	80,00,000	1,25,00,000	1,55,00,000
Factory overheads, power & maintenance	55,00,000	80,00,000	98,00,000
Admin, design, selling & interest/depreciation	72,00,000	1,10,00,000	1,35,00,000
Total expenses	7,67,00,000	12,40,00,000	14,93,00,000
Net profit (before tax)	33,00,000	90,00,000	1,07,00,000
Net margin	4.1%	6.8%	6.7%

12.3 Unit economics & break-even

- **Factory utilisation & tonnage:** output (tonnage) & utilisation against fixed factory/plant/interest/depreciation drive margins; higher utilisation transforms profitability.
- **Steel cost & efficiency:** steel is the bulk of cost & volatile — design/engineering efficiency (steel optimisation), procurement & pricing clauses protect margin; supply-only lowers WC.
- **Break-even:** at a utilisation/order-book level covering fixed factory costs + interest; above it incremental tonnage is profitable — utilisation, steel-cost & execution decisive.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	15,00,000	13,50,000	13,20,000	13,40,000
Collections (advances + milestones)	1,65,00,000	1,95,00,000	2,20,00,000	2,30,00,000
Steel/material, labour, overheads & interest	1,66,50,000	1,95,30,000	2,19,80,000	2,29,00,000

Closing balance	13,50,000	13,20,000	13,40,000	14,40,000
-----------------	-----------	-----------	-----------	-----------

Advances & milestones fund projects, but steel procurement (heavy WC) runs ahead & client-payment/RA can lag; supply-only & advances ease it. Utilisation, steel-cost/procurement, milestone billing, receivable & CC discipline, plus contingency, manage cash; steel-price swings, low early utilisation & payment lags are the key risks — met with steel management, utilisation & billing discipline.

12.5 Key Performance Indicators to Monitor

- **Utilisation:** factory utilisation %; tonnage; capacity use.
- **Cost:** steel cost/efficiency; steel-optimisation; fabrication cost/tonne.
- **Execution:** delivery speed; erection productivity; quality; on-time.
- **WC:** steel inventory; receivable/RA days; CC utilisation.

13. Funding Requirement & Bankability

Total ask: **₹1.65 crore bank finance** (term for factory/plant + CC/project WC — steel is heavy) against ₹85 lakh promoter contribution, under CGTMSE/SIDBI. Bankability rests on order book, factory utilisation, design/engineering & steel-cost management; the factory is asset-backed & prefab is a growth sector (warehousing/industrial). Year-1 profit ~₹33 lakh scaling to ₹1.07 crore supports servicing; utilisation, steel & execution are the diligence areas; order book & advances de-risk.

13.1 Funding utilisation

Use of funds	₹	% of total
Factory, plant & fabrication equipment	1,30,00,000	52%
Working capital (steel/material, WIP, RA-lag)	60,00,000	24%
Erection equipment & design software	25,00,000	10%
Setup, licences & pre-operative	20,00,000	8%
Contingency	15,00,000	6%
Total	2,50,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Steel-price volatility	Price-escalation clauses; procurement; design/steel optimisation; timing
Low factory utilisation	Order book; supply-only; modular; BD; diversify segments
Project execution / erection delays	Design/engineering; project management; erection teams; QC/safety
Client-payment / RA lags & WC	Advances; milestone billing; credit checks; CC; supply-only mix
Competition (large PEB players)	Design, cost, speed, service & niche/modular

15. SWOT Analysis

Strengths Fast-growing prefab/warehousing demand; speed/quality/cost-certainty; asset-backed factory; design/engineering; supply-only option.	Weaknesses Factory-capex-intensive; steel-price-sensitive; utilisation-dependent; execution/erection risk; WC-heavy (steel).
Opportunities Warehousing/logistics & industrial boom; Make-in-India; modular/quick-build; institutional; capacity.	Threats Steel inflation; large-PEB competition; utilisation shortfalls; payment lags; economic cycles.

16. Recommended AiSevak Tools for This Business

This prefab firm would use AiSevak's Construction vertical tools in delivery:

- **Prefab ops:** design/engineering-estimation, factory-utilisation/tonnage & steel-cost, erection/project-management & milestone-billing tools.
- **Compliance:** factory-licence & pollution, BOCW/erection-safety, structural-codes (IS/MBMA) and design-supply-erect-contract tools (with Legal & Finance verticals).
- **Practice:** Business Plan, utilisation/steel-cost-economics and Break-even tools to model the firm.

17. Key Assumptions & Notes

- Prefab/PEB & modular; PEB (design-supply-erect) + modular/portable + supply-only + design services; speed/quality/cost-certainty vs. conventional.
- Factory utilisation & tonnage the master lever; steel is bulk of cost & volatile — design/steel optimisation & procurement decisive; supply-only lowers WC.
- Factory-capex-/WC-heavy; term + CC/project (CGTMSE/SIDBI); Factories Act, pollution, BOCW/erection-safety, structural codes, design-supply-erect contracts.
- Utilisation, steel-cost, design/engineering & execution drive economics; figures illustrative, exclude GST.

► **Use these tools now — free on AiSevak**

Every tool referenced in this plan is available on aisevak.in. Open the [Construction toolkit](https://aisevak.in/verticals/construction) to browse and use them all at <https://aisevak.in/verticals/construction> — or go straight to any specific tool at <https://aisevak.in/service/<tool-name>>. No signup needed to explore; each tool guides you step by step.

Prepared by AiSevak.in — a product of ABL Digital Technologies. AI-powered business services for India. This is AI-assisted guidance; figures are illustrative and not a guarantee of results. Verify all numbers, licences and regulatory requirements with a qualified professional before relying on this plan for binding decisions. © 2026 ABL Digital Technologies Private Limited.