

**Rating: Neutral**

**Issue Offer**

Fresh Issue of 2,25,04,324 shares up to INR 4,996 Mn & no OFS issued by Promoters group taking the total issue size of 2,25,04,324 shares at INR 4,996 Mn.

**Issue Summary**

Price Band INR	210-222
Face Value INR	2
Implied Market Cap INR Bn.	17.99
Market Lot	67
Issue Opens on	Jun 18, 2025
Issue Close on	Jun 20, 2025
No. of share pre-issue	5,85,44,202
No. of share post issue	8,10,48,526
Listing	NSE, BSE
<b>Issue Break-up %</b>	
QIB Portion	≤ 75
Retail Portion	≥ 10
NII Portion	≥ 15

**Registrar**

MUFG Intime India Private Limited

**Book Running Lead Managers**

Jm Financial Ltd, Nuvama Wealth Management Ltd, IIFL Capital Services Ltd,

**Shareholding Pattern**

	Pre-Issue	Post-Issue
Promoters	52.5%	37.93%
Public & Others	47.5%	62.07%

**Objects of the issue**

- Repayment/prepayment, in full or part, of certain outstanding borrowings availed.
- Funding the working capital requirement of INR 1,770 Mn.
- Investment in the Subsidiary, Buildmex-Infra Private Limited, for funding capex of INR 480 Mn.
- General corporate purposes & inorganic acquisitions

Arisinfra, incorporated in February 2021, is a B2B technology-enabled company operating in the expanding construction materials market, dedicated to simplifying and digitizing the entire procurement process for construction materials, delivering an efficient end-to-end procurement experience. The company leverages its extensive vendor network to source construction materials and supply them to real estate and infrastructure developers and contractors, aiming to be a one-stop solution for all their construction material needs. Arisinfra employs a technology-driven approach to provide real-time updates to customers, ensuring coordination, convenience, and seamless delivery. As a B2B technology-enabled company, Arisinfra's business model focuses on procuring construction materials from vendors and securing payments from customers for the materials sold. On the supply side, the company identifies opportunities to utilize the underutilized capacities of manufacturers.

**Investment Rationale:**

**Technology-Driven Procurement Efficiency:** ArisInfra has built a robust system that streamlines the procurement of construction materials, making it faster and more cost-effective for both customers and vendors. By linking its system to a popular messaging app, it connects 2,659 customers to 1,729 vendors, matching requests to suppliers based on location, credit terms, and past reliability. Bids arrive quickly, and the platform evaluates them to offer a single, competitive quote in minutes, not days. The ArisDelivery system provides live shipment updates, ensuring smooth logistics. Since Mar-23, AI-driven tools like Cara AI have digitized 157,889 documents, including handwritten delivery challans, reducing errors and speeding up invoicing. Operating across 1,075 pin codes by Dec-24.

**Strong Network Growth and Market Positioning:** Company expanded its networks from 431 customers and 441 vendors in FY22 to 2659 and 1729 by Dec 24, driving 14.10 MT of material like aggregates, ready-mix concrete, and steel deliveries. Its partnerships with top developers like J Kumar Infraprojects, Capacit'e Infraprojects and vendors like Normet India cement its as a dependable one-stop solution status. Expanding from 253 to 1,075 pin codes, it adapts to diverse regions. . By addressing the market's inefficiencies, such as inconsistent material availability and lack of pricing transparency, ArisInfra is ready to capitalize on the projected growth of India's B2B construction market, expected to reach \$235–255 Bn by 2029.

**Diversified Revenue Streams and Financial Resilience:** ArisInfra's business model combines multiple revenue sources, reducing reliance on any single segment. In 9MFY25, 59.32% of revenue came from sourcing materials from vendors, 34.81% from third-party, and 5.86% from value-added services through their subsidiary, ArisUnitern. Their value-added services, including advisory and consultancy for real estate developers, not only boost revenue but also deepen client relationships, increasing customer retention. Company has experienced employees who were able to make quick informed choices about deal cracking and rejecting risking terms. Company has maintained discipline, combined with invoice and bill discounting arrangements worth INR 780 Mn, which helps maintain liquidity and supports growth.

**Scalable Operating Model with Low Capital Intensity:** The company's technology-enabled, lean operating model allows it to scale rapidly without incurring heavy capital investments, a key advantage in the capital-intensive construction industry. By operating on a lean inventory model, the company avoids the need for warehouses, as materials are dispatched directly from vendors to customer sites. This reduces overhead costs and minimizes inventory holding risks. Their integrated delivery system, ArisDelivery, streamlines logistics with minimal manual input, enabling the management of 613 daily dispatches in the 9MFY25. The company's cloud-based document digitization, which processed 121,549 documents in the same period, eliminates the need for physical storage and reduces administrative costs. Strategic partnerships with third-party manufacturers allow company to expand its material portfolio without investing in production facilities, further lowering capital requirements.

**Valuation and View:** ArisInfra actively pursues growth by entering new micromarkets in existing and untapped geographies, boosting market penetration in India's fragmented \$235–255 Bn construction materials sector. The company capitalizes on the unorganized market's inefficiencies, leveraging its technology platform to introduce demand-supply auto-syndication, credit-linked pricing, and advanced hardware for enhanced efficiency. With a robust network and scalable model, ArisInfra strengthens its position as a leading B2B solution, addressing challenges for vendors and customers alike. At the upper band of INR 222, the issue is valued at P/E ratio of 206.7x, based on a FY25 EPS of INR 1.1. We are recommending a "Neutral" rating for this issue.

**Abhishek Jain**  
[abhishek.jain@arihantcapital.com](mailto:abhishek.jain@arihantcapital.com)  
022-422548871

**Rohan Baranwal**

**Arihant Research Desk**

Email: [instresearch@arihantcapital.com](mailto:instresearch@arihantcapital.com)

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 <sup>st</sup> Floor Andheri Ghatkopar Link Road Chakala, Andheri E Mumbai – 400093 Tel: 91-22 42254800 Fax: 91-22 42254880	6 Lad Colony Y.N Road Indore - 452003, M.P. Tel: 0731-4217100 Fax: 91-731 3016199

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	<a href="http://www.arihantcapital.com">www.arihantcapital.com</a>	<a href="mailto:instresearch@arihantcapital.com">instresearch@arihantcapital.com</a>

**Disclaimer:** This document has been prepared by Arihant Capital Markets Ltd. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Arihant may trade in investments, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based, before its publication. This is just a suggestion and Arihant will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Affiliates of Arihant may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. No matter contained in this document may be reproduced or copied without the consent of the firm.

Arihant Capital Markets Ltd.  
1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri E  
Tel. 022-42254800 Fax. 022-42254880

**Disclaimer:** This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice. ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE. ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.

**Arihant Capital Markets Ltd.**

1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri (E)  
Tel. 022-42254800