ARISINFRA SOLUTIONS LIMITED

June 17, 2025

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	B2B Technology platform
Fresh Issue (Shares)	2,25,04,324
Net Offer to the Public	2,25,04,324
Issue Size (Rs. Cr.)	472-500
Price Band (Rs.)	210-222
Offer Date	18-Jun-25
Close Date	20-Jun-25
Face Value	2
Lot Size	67

Issue Composition

	In shares
Total Issue for Sale	2,25,04,324
QIB	1,68,78,243
NIB	33,75,649
Retail	22,50,432

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	52.51%	37.93%
QIB	0.00%	20.82%
NIB	47.49%	38.47%
Retail	0.00%	2.78%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

1. Repayment / prepayment, in full or part, of certain outstanding borrowings availed by the Company
2. Funding the working capital requirements of the Company
3. Investment in the Subsidiary, Buildmex-Infra Private Limited, for funding its working capital requirements
4. General corporate purposes and unidentified inorganic acquisitions

Book Running Lead Manager

- JM Financial Limited
- IIFL Capital Services Limited (formerly known as IIFL Securities Limited)
- Nuvama Wealth Management Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Incorporated in 2021, ArisInfra Solutions Limited is a modern platform that helps construction and infrastructure companies buy materials easily and manage their finances smartly. ArisInfra is a **business-to-business** (B2B) technology-driven company in the expanding construction materials market. The company focuses on digitizing and simplifying the procurement process, delivering an efficient end-to-end customer experience. The product portfolio includes GI pipe (Steel), MS Wire (Steel), MS TMT Bar (Steel), OPC Bulk (Cement) and more. Between April 1, 2021, and March 31, 2024, the company delivered 10.35 million metric tonnes of construction materials, including aggregates, ready-mix concrete, steel, cement, construction chemicals and walling solutions, utilizing 1,458 vendors and serving 2,133 customers across 963 pin codes in various cities, including Mumbai (Maharashtra), Bengaluru (Karnataka) and Chennai (Tamil Nadu). The company's clients include Capacit'e Infraprojects Limited, J Kumar Infraprojects Limited, Afcons Infrastructure Limited, EMS Limited, S P Singla Constructions Private Limited, and more. ArisUnitern Re Solutions Private Limited is the company's subsidiary that provides value-added services tailored to real estate developers, including advisory, consultancy, marketing, and sales support.

Strength

Transforming the Supply Chain for Construction Materials through Technology: Arisinfra Solutions Limited is a B2B technology-enabled company that is revolutionizing the procurement of construction materials by leveraging artificial intelligence and machine learning. The company aims to simplify and digitize the supply chain by eliminating redundant intermediaries and facilitating seamless communication between customers and vendors. The Indian construction materials market, remains largely unorganized and fragmented—posing challenges such as inconsistent material availability, quality concerns, and a lack of price transparency. Arisinfra addresses these issues by offering a digital platform that improves negotiation, price discovery, documentation, and delivery tracking in real time, enhancing the overall procurement experience for stakeholders.

Positioned to Capitalize on a Growing Market: With a scalable, tech-led operating model, Arisinfra is strategically placed to benefit from India's rapidly growing real estate and infrastructure B2B markets. According to RedSeer, the infrastructure construction market is expected to grow from USD 105–115 billion in 2024 to USD 175–200 billion by 2029, while the real estate construction market is projected to reach USD 235–255 billion in the same period. Arisinfra's technology facilitates geographic expansion and seamless onboarding of vendors and customers. The company has expanded its delivery footprint from 253 pin codes in March 2022 to 1,075 pin codes by

December 2024. During the same period, registered customers and vendors increased to 2,659 and 1,729, respectively, reflecting strong adoption of its solution and system effectiveness.

Growing Third-Party Manufactured Offerings: Recognizing the potential in unorganized and unbranded segments, Arisinfra has entered third-party manufacturing of construction materials such as aggregates, RMC, and aerated concrete blocks. This initiative ensures consistent quality, better margins, and reduced intermediary dependency. Revenue from third-party manufactured materials has grown significantly, accounting for ₹190.26 crore in the nine months ended December 2024—34.81% of its operating revenue—up from just 2.47% in Fiscal 2023.

Network Effects Driving Strategic Advantage: Arisinfra's growing ecosystem of customers and vendors creates a self-reinforcing loop: increased customer demand attracts vendors, which in turn expands material variety and availability, encouraging more customers to join. This virtuous cycle strengthens the platform's value proposition. With stringent verification processes for both customers and vendors—including GST checks, documentation, and due diligence—Arisinfra ensures compliance and reliability. As of December 2024, the company has 2,659 registered customers and 1,729 vendors. High levels of repeat business—848 repeat customers in the nine months ended December 2024—underscore customer satisfaction and loyalty, particularly among large real estate and infrastructure players.

Comprehensive Credit Risk Analysis Framework: Arisinfra has developed a robust credit assessment framework powered by real-time analytics. New and existing customers are evaluated based on GST filings, financial history, and behavior. Executives are equipped with real-time business intelligence via an integrated messaging system that generates detailed reports and condensed 'nano reports' for rapid decision-making. Arisinfra also maintains a digital ledger of all delivery documentation, streamlining collections and mitigating disputes. Automated payment reminders and real-time invoicing—enabled by digital delivery challans—enhance credit risk management and reduce operational delays.

Experienced Leadership Backed by Strong Governance: Arisinfra is led by an experienced leadership team with deep domain expertise. The company's Promoter, Chairman, and Managing Director, Ronak Kishor Morbia, brings over 13 years of experience in the construction materials supply industry and has been central to its technological and strategic vision. Co-promoter Bhavik Jayesh Khara, with over six years of experience, oversees operations and financial management. The executive team includes CEO Srinivasan Gopalan (real estate and management), CTO Jitender Sharan (product development), CFO Amit Manhar Gala (finance), and senior leaders in business development, customer relations, and product strategy. Their collective experience and industry insight position Arisinfra to scale operations, enhance stakeholder value, and capitalize on long-term market opportunities.

Strategy

Margin Optimization through Strategic Product Mix: Arisinfra Solutions Limited is focused on improving its financial performance by optimizing the mix of construction

materials it offers. The company aims to diversify its product portfolio in line with customer preferences and market demand while promoting higher-margin materials. Leveraging its technology-enabled ecosystem and streamlined user experience, Arisinfra seeks to increase customer wallet share by driving cross-selling of construction materials and maximizing profitability.

Strategic Partnerships to Strengthen Supply Chain and Expand Product Portfolio: To improve supply chain efficiency and broaden its portfolio of third-party manufactured construction materials, Arisinfra intends to forge additional strategic partnerships with underutilized manufacturers. These collaborations allow the company to exert greater control over production quality, enhance margins, and expand its market presence without significant capital investment. Partnering with established players reduces financial and operational risks and enables Arisinfra to scale efficiently while remaining focused on its core competencies.

Partnerships to Drive Demand-Side Growth: Arisinfra is actively pursuing strategic alliances with key industry stakeholders to accelerate demand-side growth. These partnerships provide access to networks of real estate developers and infrastructure contractors, enabling the company to identify active projects and make more informed credit decisions. Notably, Arisinfra has established subsidiaries—Arisinfra Realty Private Limited and Arisinfra Construction Materials Private Limited—in partnership with industry leaders such as Jaxay Sharadkumar Shah, Karan Manoj Daisaria, and Devansh Manoj Daisaria. These collaborators bring extensive industry influence and networks, contributing to enhanced market penetration. The company plans to continue onboarding strategic partners to strengthen its footprint in existing and new geographies.

Enhancing Working Capital Efficiency: To support sustainable growth, Arisinfra is focused on optimizing working capital cycles by narrowing the gap between receivables and payables. Strategies include diversifying the construction material mix, securing favorable vendor terms, and utilizing invoice and bill discounting facilities for immediate liquidity. Through partnerships with financial institutions, Arisinfra converts receivables into upfront cash and defers vendor payments, thereby improving cash flow. As of December 31, 2024, the company's bill discounting arrangements stood at ₹78.06 crore, reflecting effective liquidity management. These measures collectively ensure operational efficiency and business continuity.

Expanding Market Penetration and Customer Wallet Share: Arisinfra is committed to expanding into new micro-markets within both existing and untapped geographies. The company also aims to deepen its engagement with existing customers by capitalizing on relationships with major developers and contractors and by offering a broader selection of construction materials. Arisinfra seeks to increase the number of projects served per customer, thereby driving higher wallet share and reinforcing its market leadership.

Continued Technology Integration for Operational Excellence: Arisinfra continues to enhance operational efficiency and user experience through advanced technology integration. Key initiatives include the deployment of demand-supply auto-syndication, credit-linked pricing models, and smart hardware installations. Auto-syndication algorithms use real-time data to match large orders with multiple vendors based on production capacity, while credit-linked pricing tailors rates based on

customer payment history to mitigate risk. Additionally, the company is piloting NFC-enabled portable and desktop hardware at vendor sites and on delivery vehicles to automate order processing, delivery tracking, invoicing, and payment confirmation. These innovations are set to further streamline the company's supply chain and inventory management processes.

Risk factor

- **Revenue Concentration in Key Construction Materials:** Arisinfra Solutions Limited derives a major portion of its revenue from aggregates, RMC, and steel, contributing 37.11%, 25.29%, and 6.69% for the nine months ended December 31, 2024, and 31.19%, 21.12%, and 16.73% in Fiscal 2024. A drop in demand for these materials may adversely affect the company's financial and operational performance.
- **Geographic Concentration Risk:** The company's revenues are heavily concentrated in Maharashtra, Karnataka, and Tamil Nadu, accounting for over 80% across recent fiscal periods. Unfavourable developments in these states could significantly impact business operations and cash flows.
- **Customer Concentration and Lack of Long-Term Contracts:** Arisinfra's top 10 customers contribute a large share of revenue—up to 48.47% in recent periods. The absence of long-term contracts heightens the risk from customer attrition or reduced order flow, underlining the need for customer base diversification.
- **Dependency on Customer and Vendor Network Expansion:** Business growth is tied to expanding and retaining a robust network of customers and vendors. Failure to do so may affect competitiveness, revenue generation, and long-term sustainability.

Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs.222, the stock is priced at pre issue P/E of 149.37 x on Estimated Annualised FY25 EPS of Rs.1.49. Post issue, the stock is priced at a P/E of 206.78x on its EPS of Rs. 1.07. Looking at the P/B ratio at Rs. 222 pre issue, book value of Rs. 26.99 of P/Bvx 8.23x. Post issue, book value of Rs.81.14 of P/Bvx 2.74x.

Considering the P/E valuation, on the lower end of the price band of Rs.210, the stock is priced at pre issue P/E of 141.29 x on Estimated Annualised FY25 EPS of Rs. 1.49. Post issue, the stock is priced at a P/E of 195.60x on its EPS of Rs. 1.07. Looking at the P/B ratio at Rs. 210 pre issue, book value of Rs. 26.99 of P/Bvx 7.78x. Post issue, book value of Rs.81.14 of P/Bvx 2.59x.

Industry Overview

The Indian construction materials market is highly unorganized and fragmented, creating numerous challenges for both vendors and customers. The infrastructure construction B2B market in India was approximately USD 105 billion to USD 115 billion in 2024 and is projected to grow at a CAGR of 10% to 12% to USD 175 to USD 200 billion in 2029 whereas the total B2B real estate construction market is estimated

to be approximately USD 170 to USD 180 billion in 2023, growing at 6% to 8% to reach USD 235 billion to USD 255 billion by 2029.

Outlook

Arisinfra Solutions Limited is well-positioned to capitalize on India's growing real estate and infrastructure markets, backed by a robust technology-driven platform, expanding product portfolio, and strong leadership. Its strategic focus on third-party manufacturing, margin optimization, and demand-side partnerships enhances profitability and operational resilience. Continued investment in automation, AI-led analytics, and credit risk management further strengthens its execution capabilities. However, the company remains exposed to risks from revenue and geographic concentration, dependency on key customers, and the need to expand its vendor and client network. Overall, Arisinfra's tech-enabled supply chain transformation, strategic alliances, and efficient capital deployment position it for sustainable growth, provided it successfully mitigates concentration and diversification risks.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Wed, Jun 18, 2025
IPO Close Date	Fri, Jun 20, 2025
Tentative Allotment	Mon, Jun 23, 2025
Initiation of Refunds	Tue, Jun 24, 2025
Credit of Shares to Demat	Tue, Jun 24, 2025
Tentative Listing Date	Wed, Jun 25, 2025

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Dec-24 (9 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	546.52	696.84	746.07
Total expenditure	513.55	684.04	746.75
Operating Profit	**32.97**	**12.80**	**-0.68**
OPM%	6.03	1.84	-0.09
Other Income	11.24	5.51	8.37
Total Net Income	**44.21**	**18.32**	**7.69**
Interest	30.10	32.27	23.88
PBDT	**14.11**	**-13.95**	**-16.19**
Depreciation	2.52	2.89	2.05
PBT	**11.59**	**-16.84**	**-18.24**
Tax	5.07	0.46	-2.84
Profit & Loss	**6.53**	**-17.30**	**-15.39**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Dec-24	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Property, plant and equipment	1.96	2.40	1.70
Right-of-use assets	4.10	1.44	3.76
Other intangible assets	0.06	0.02	0.04
Intangible assets under development5	33.00	24.60	9.40
Financial Assets			
Other non-current financial assets	5.73	8.44	7.79
Deferred tax assets (net)	7.81	6.02	5.45
Non-current tax assets (net)	0.76	3.38	1.67
Other non-current assets	0.00	3.83	3.83
Total non-current assets	**53.42**	**50.14**	**33.64**
Current asset			
Inventories	0.58	1.27	2.00
Financial Assets			
Trade receivables	315.63	320.36	275.11
Cash and cash equivalents	1.33	0.59	3.08
Bank balances other than (ii) above	0.17	0.15	0.00
Other financial assets	84.40	76.17	52.52
Other current assets	131.02	44.14	28.61
Total current assets	**533.14**	**442.69**	**361.31**
Total Assets	**586.56**	**492.83**	**394.95**
Non-current liabilities			
Financial liabilities			
Borrowings	12.00	67.83	79.81
Lease liabilities	2.06	0.45	1.40
Other financial liabilities	5.76	11.56	16.27
Employee benefit obligations	1.00	1.16	0.63
Deferred tax liability	0.00	0.00	0.00
Total Non- Financial liabilities	**20.81**	**80.99**	**98.11**
Current liabilities			
Financial Liabilities			
Borrowings	310.82	206.15	140.54
Lease liabilities	2.13	1.08	2.35
Trade payables- Total outstanding dues of micro and small enterprises	7.68	17.05	4.96
Trade payables-Total outstanding dues of creditors other than micro and small enterprises	53.81	27.84	25.95
Other financial liabilities	15.29	7.60	14.68
Employee benefit obligations	0.84	1.01	0.50
Current tax liabilities	4.96	0.00	0.00
Other current liabilities	14.39	8.97	4.17
Total - Current Liabilities	**409.92**	**269.69**	**193.15**
Total Liabilities	**430.73**	**350.68**	**291.25**
Net worth represented by:			
Equity share capital	9.25	1.16	1.16
Instruments entirely equity in nature	1.74	0.67	0.00
Other equity	141.10	139.77	103.78
Non-controlling interests	3.74	0.54	-1.24
Net Worth	**155.83**	**142.15**	**103.70**

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