

Interarch Building Solutions.

Leading the Future of Smart Steel Structures



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इंटरआर्च बिल्डिंग सॉल्यूशंस
स्मार्ट स्टील संरचनाओं के भविष्य का नेतृत्व

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BUY @ INR 2,080

Target: INR 2,633 in 24 months

Upside Potential: 27%

A Niche player in Pre-Engineered building systems.

Business Model: Interarch operates primarily in the B2B segment, offering design, manufacturing, and turnkey construction services to corporate, industrial, and institutional clients. It provides customized, factory-fabricated steel building systems that are quick to install and cost-efficient, serving various sectors such as: 1) Warehousing & Logistics, 2) Automotive Manufacturing, 3) Aviation & Metro Rail infrastructure, 4) Industrial plants & Factories.

Pre-Engineered Buildings (PEBs) are built 40–50% faster than traditional methods, offering design flexibility and easy scalability. The PEB market in India is experiencing significant growth, valued at approximately INR 15,000 cr in 2024, and projected to reach INR 47,000 cr by 2033 (CAGR of 12.5%). With this growing demand, Interarch has gained popularity over the past 25 years for its faster deliveries and has become the second-largest player in the PEB sector.

Over the period FY25–28 we expect net revenue to grow at a CAGR of 18 % to INR 2410.8 cr. The company has strong order book of INR 1695 cr (1.1x FY25 sales) as on 31st July 2025 and is expected to increase to INR 2000 by FY28. To cater to this demand, Interarch plans to steadily increase its capacity to 200,000 MT from the current 161,000 MT by FY28. The total estimated outlay is of INR 145 cr and is expected to be incurred over the forecast period.

In line with the strong revenue trend, both EBITDA and Net profit are forecast to grow at a faster CAGR of 25.6 % and 23.8% to INR 270cr and INR 205 cr by FY28. EBITDA / PAT Margin are expected to improve by 180/110 bps to 11.2% / 8.5% respectively. ROE and RoIC are forecast to grow by 240/420 bps to 16.7% and 26.2% by FY28. The company continues to maintain its positive trajectory of CFO and FCFE while maintaining its debt free status.

Valuation: We initiate coverage with a BUY for a price target of INR 2,633(21.4X FY28E forward P/E) representing an upside of 27% from the current CMP of INR 2,080 over the next 24 months.

Key Risk: 1) Steel price may affect the profitability. 2) In slow economy, demand, particularly in sectors like construction, manufacturing, and infrastructure will be impacted.

Key consolidated financial data (INR cr, unless specified)

Year	NET REVENUE	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS	BVPS	RoE	RoIC	P/E	EV/EBIT DA
FY24	1,293.3	119.9	86.3	9.3	6.7	58.7	267.2	19.4	35.3	41.1	28.5
FY25	1,453.8	136.2	107.8	9.4	7.4	68.5	451.6	14.3	22.0	32.9	24.7
FY26E	1,761.9	192.5	147.2	10.9	8.4	88.5	531.2	16.7	24.9	24.1	17.5
FY27E	2,082.0	231.3	174.2	11.1	8.4	104.9	625.6	16.8	24.6	20.3	14.5
FY28E	2,410.8	269.6	204.6	11.2	8.5	122.9	736.2	16.7	26.2	17.3	12.1

Source: Ventura Research & Company filings

Industry Construction

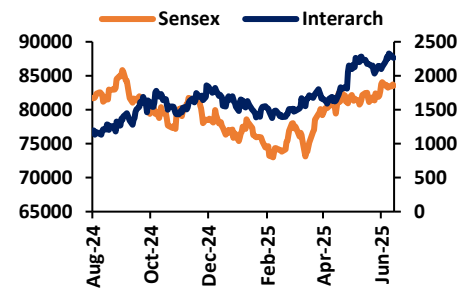
Scrip Details

Face Value (INR)	10
Market Cap (INR Cr)	3,461
Price (INR)	2,080
No of Sh. O/S (Cr)	1.66
1M Avg Vol (000)	33,656
52W H/L (INR)	2410/ 1110
Dividend Yield (%)	0.61

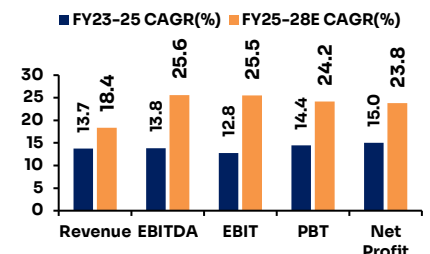
Shareholding (%) Mar 2025

Promoter	59.90
Institution	12.64
Public	27.45
TOTAL	100.0

Price chart



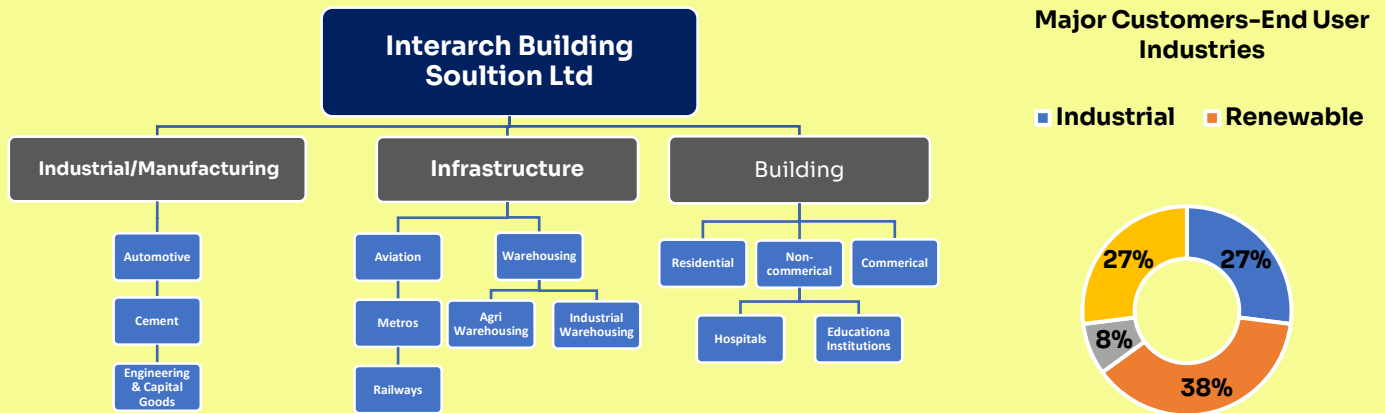
Financial Growth – Past vs Projection



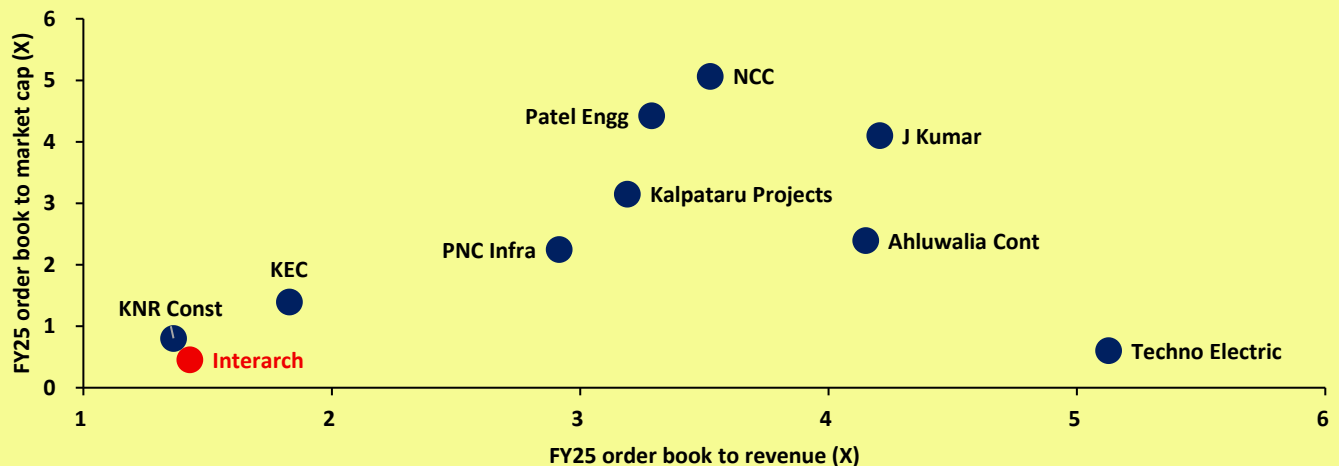
Why Invest in Interarch?

Diversified Business Portfolio: Interarch operates across a diverse range of high-growth sectors, including Building, Infrastructure, Industrial and Manufacturing. The company is further bifurcated into Automotive, Cement, Engineering & Capital goods, Aviation, Metro, Railways, Agri-warehousing, Industrial warehousing, Residential, Non-commercial, Commercial. This broad diversification reduces risks associated with dependency on any single industry. Moreover, its strong presence in infrastructure and capital goods positions Interarch as a fully integrated, one-stop PEB solution provider, offering a distinct competitive edge over its peers.

Interarch diversified business presence



Strong Order Book: The company has a substantial order book of INR 1695 cr (1.1x of TTM revenue across various segments which provides good growth potential.

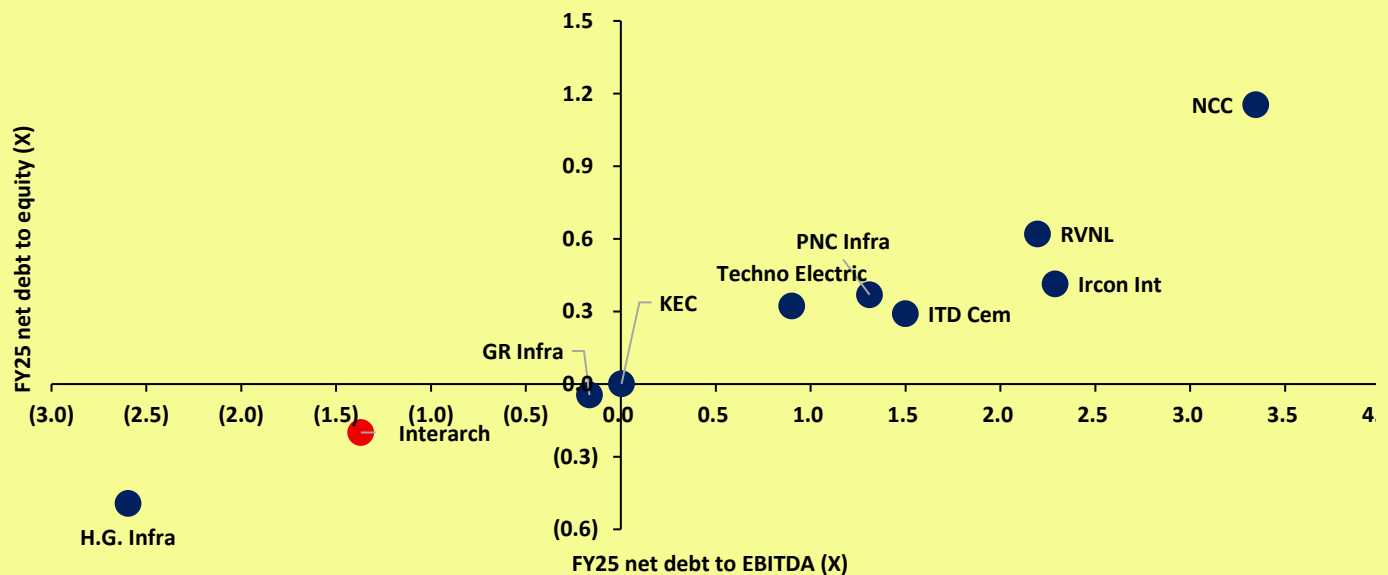


Robust Infrastructure Play: Interarch is the second-largest player in India's PEB (Pre-Engineered Buildings) industry, contributing significantly to infrastructure development. With a capacity of 1,61,000 MTPA, it benefits from large-scale projects such as smart cities, roads, and renewable energy, which are supported by government investments.

Track Record of Execution: Interarch has a proven track record in executing large complex projects on time and within budget. This is a critical factor for investors seeking stability. Strong repeat order ratio (81% in FY25).

Focus on Innovation: The company remains dedicated to innovation and technological progress, especially in industrial and infrastructure sectors, offering automation solutions that give it a competitive edge. Its R&D center is at the forefront of developing automation, artificial intelligence (AI), and custom tools, reducing project timelines by as much as 30%.

Healthy Balance Sheet: Interarch consistently maintains strong cash flow, a solid balance sheet, and stable profitability, making it an attractive option for conservative investors seeking financial stability. CFO FY25 stood at INR 53.56cr.



Valuation Of Interarch Building Solutions

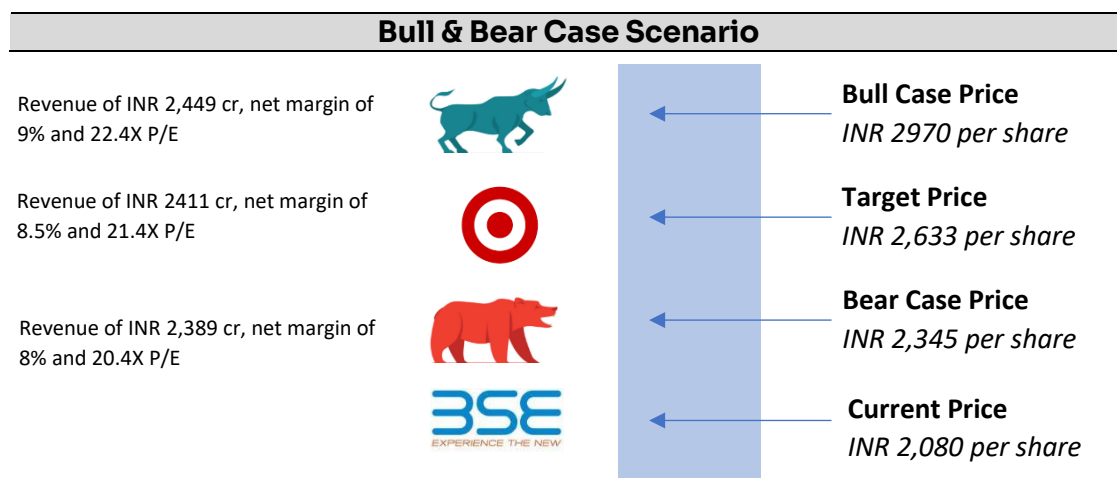
We value Interarch at INR 2,633 (FY28 P/E-21.4x) using the DCF valuation methodology representing an upside of 27% from the CMP of INR 2,080.

Fig in INR Cr (unless specified)	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue	1762	2082	2411	2771	3162	3580	4020	4478	4946	5417
EBITDA	192	231	270	316	368	424	485	550	619	689
EBITDA margin(%)	10.9%	11.1%	11.2%	11.4%	11.6%	11.8%	12.1%	12.3%	12.5%	12.7%
Net profit	147	174	205	243	286	333	384	440	500	561
Net profit (%)	8.4%	8.4%	8.5%	8.8%	9.0%	9.3%	9.6%	9.8%	10.1%	10.4%
Cash flow from operations	89	118	147	179	217	259	307	361	421	485
CFO to EBITDA (%)	46.0%	51.0%	54.6%	56.7%	58.8%	61.0%	63.3%	65.6%	68.0%	70.5%
FCFF	8	40	125	154	187	225	269	319	374	433
FCFF to EBITDA (%)	4.3%	17.4%	46.5%	48.6%	50.9%	53.1%	55.5%	57.9%	60.4%	62.9%
Discounted FCFF			125	139	152	165	178	190	201	210
Terminal Value			5,645							
Total of Discounted FCFF FY28			1,360							
FY28 Present Value of Terminal Value			2,735							
FY28 Value of Operations			4,095							
FY28 Net Debt			-286							
FY28 Value of Equity			4,381							
FY28 Value of Equity per share			2,633							
CMP			2,080							
Upside potential (%)			27							

Our Bull and Bear Case Scenarios

We have prepared likely Bull and Bear case scenarios for FY28 price, based on revenue growth, net margins and P/E multiples.

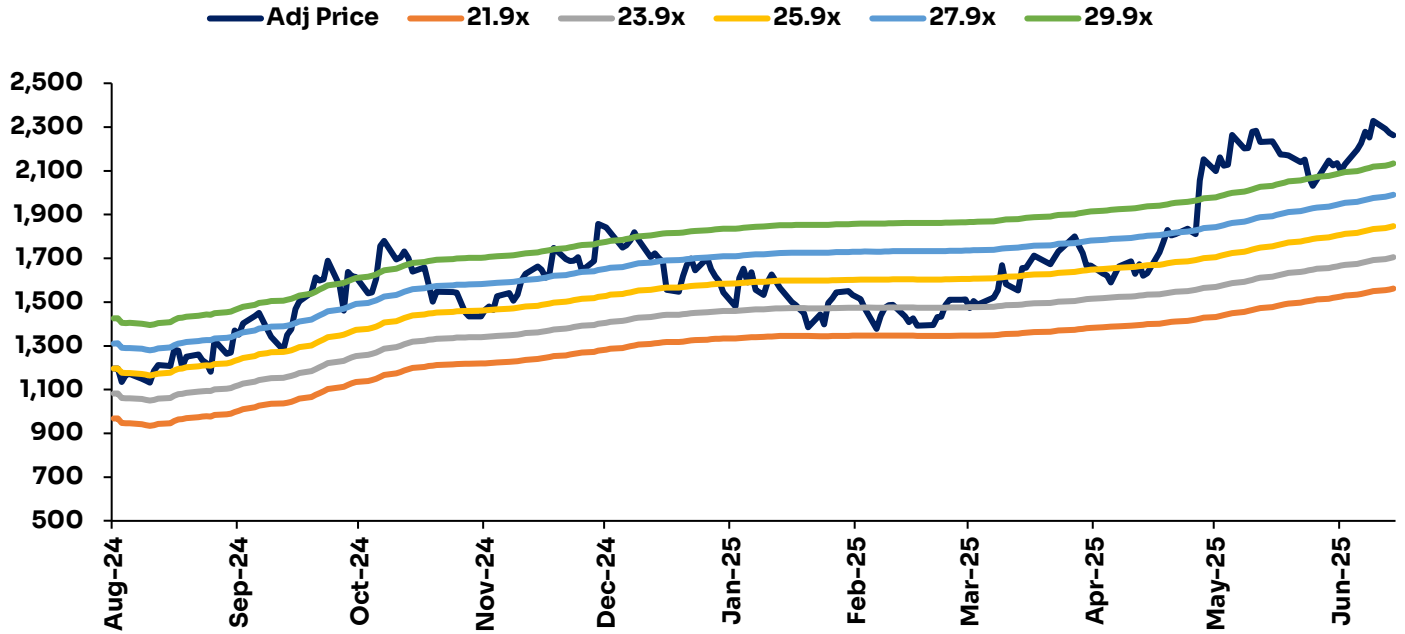
- Bull Case:** We have an assumed revenue of INR 2,449 cr (19% 3-year CAGR) and a net margin of 9% at a P/E of 22.4X, which will result in a Bull Case price target of INR 2,970 per share (an upside of 43% from CMP).
- Bear Case:** We have an assumed revenue of INR 2,389 cr (18% 3-year CAGR) and a net margin of 8% at a P/E of 20.4X, which will result in a Bear Case price target of INR 2,345 per share (an upside of 12.7% from CMP).



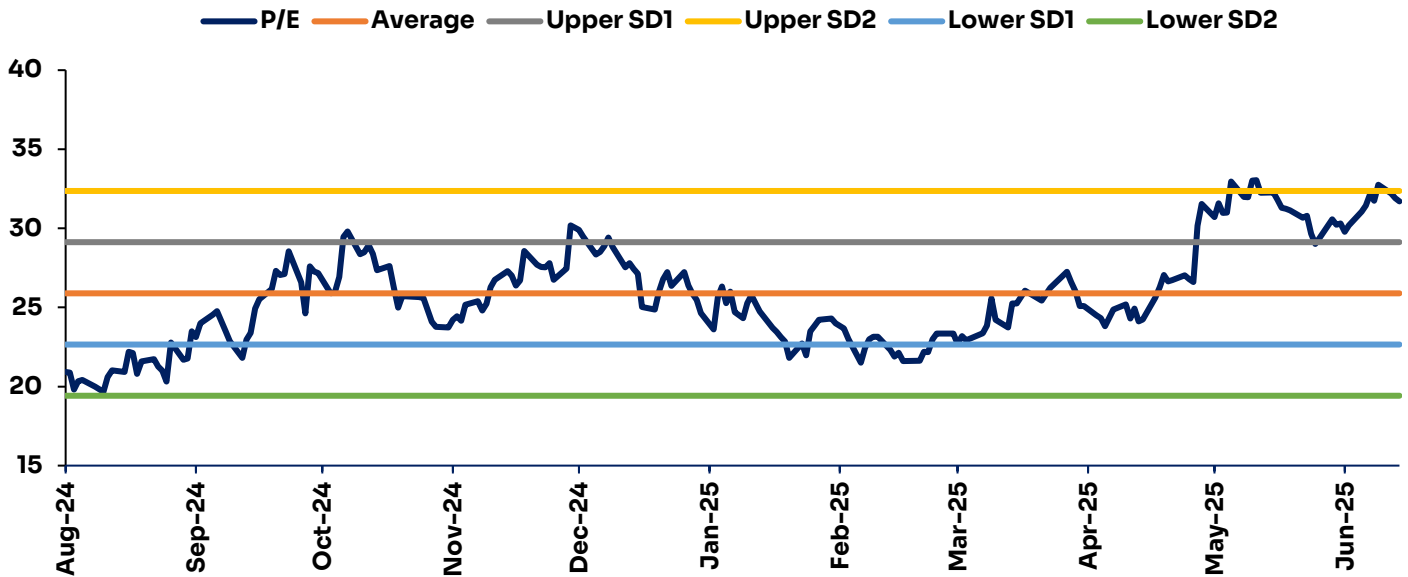
Source: BSE & Ventura Research

Debt free company with high cash reserves. Strong outlook could re-rate the valuation.

1 year forward P/E band chart



1 Year forward P/E & Standard Deviation



Phases of Interarch's financial performance

We have analysed **Interarch's** 15-year financial performance, a period marked by multiple market cycles.

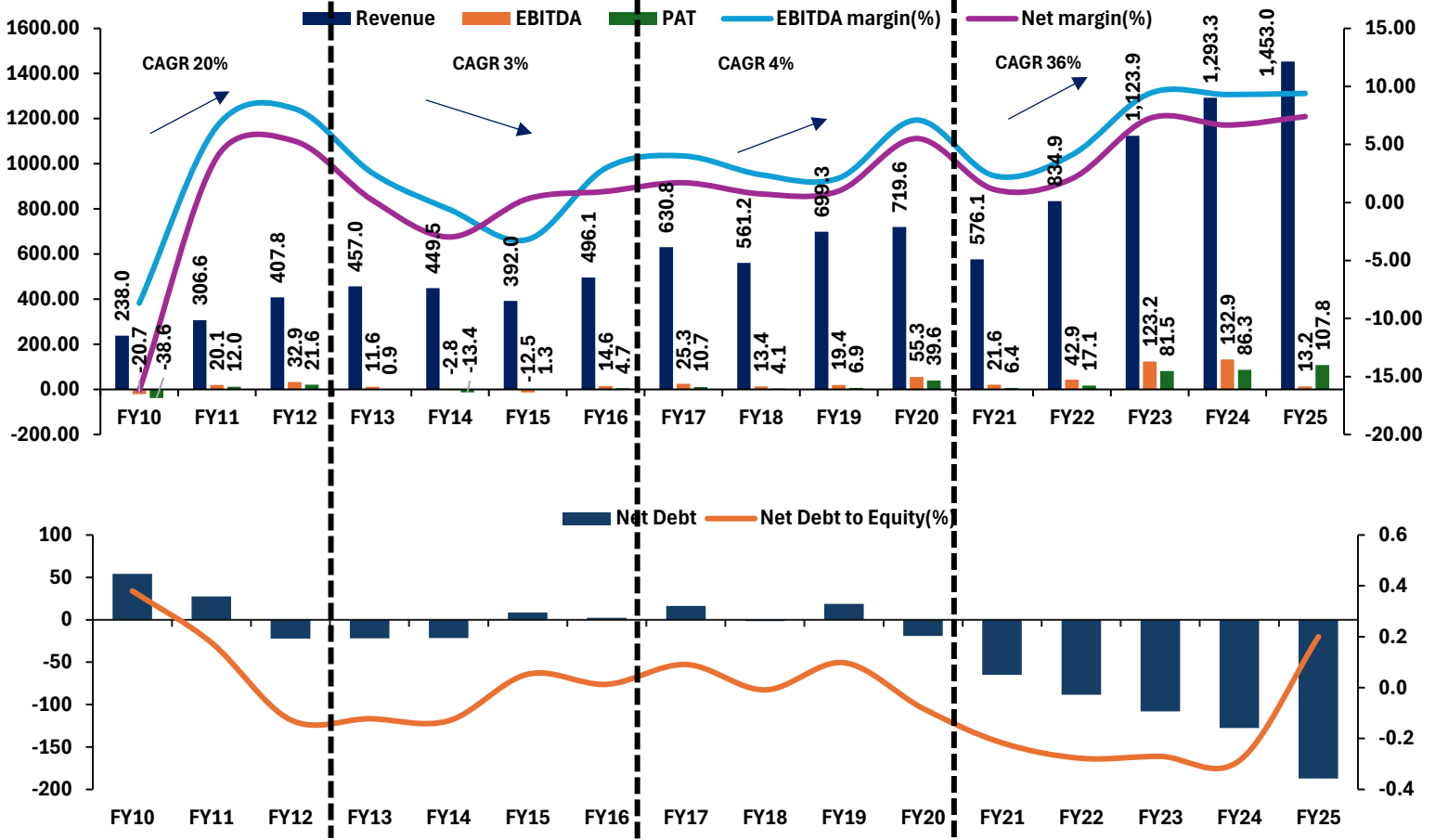
15 years of Interarch's business performance

FY10 to FY13 marked periods of infrastructure investment boom created opportunities in the PEB sector.

FY12–FY16 was slow due to macroeconomic challenges (economic slowdown, high inflation, policy uncertainty), steel price volatility, limited awareness and slower adoption of PEB technology.

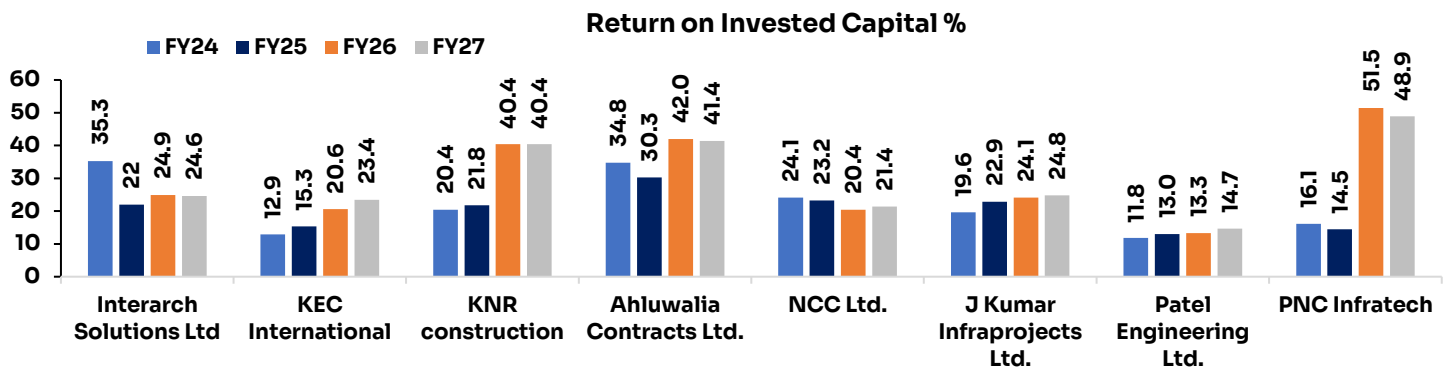
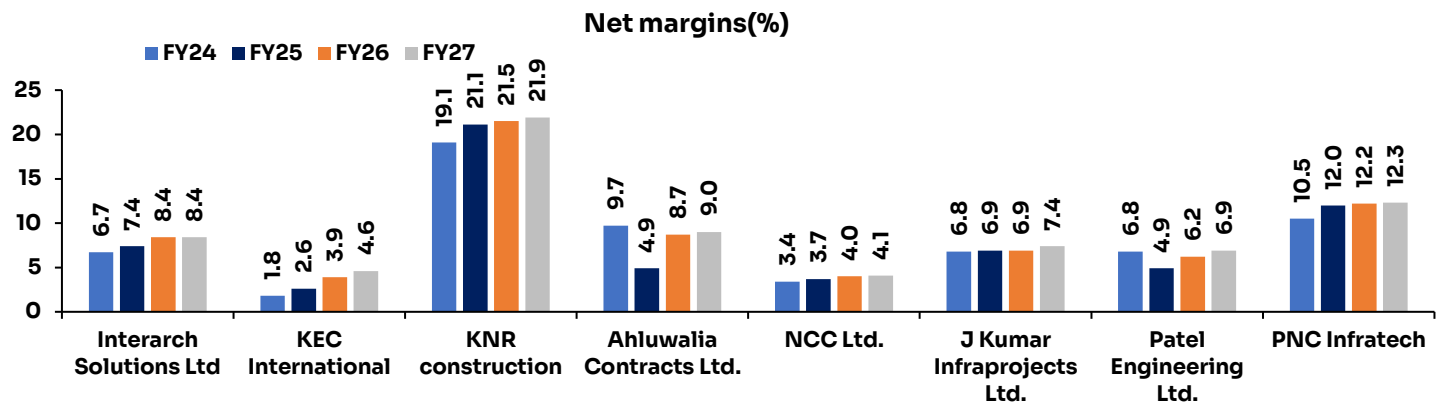
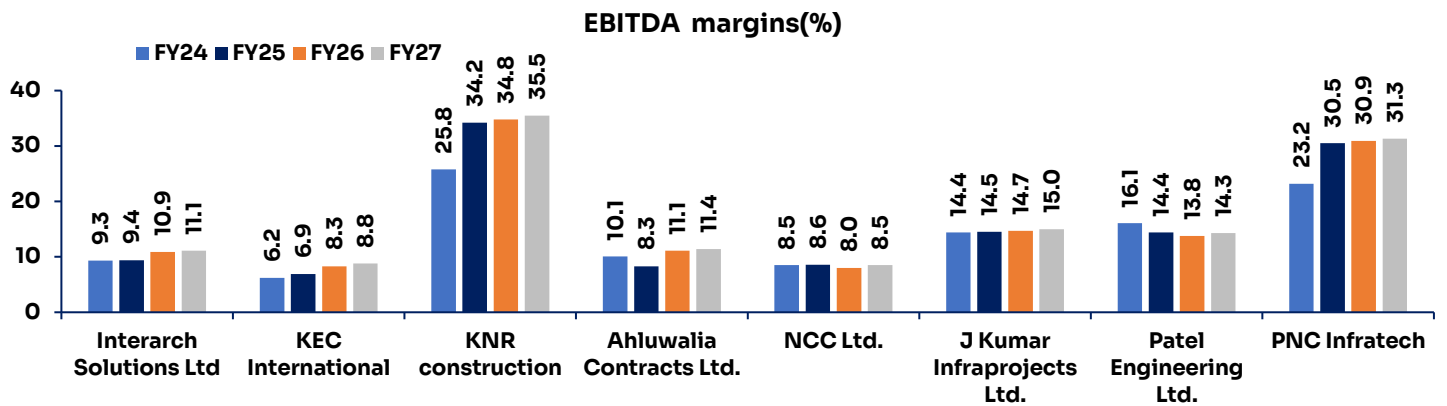
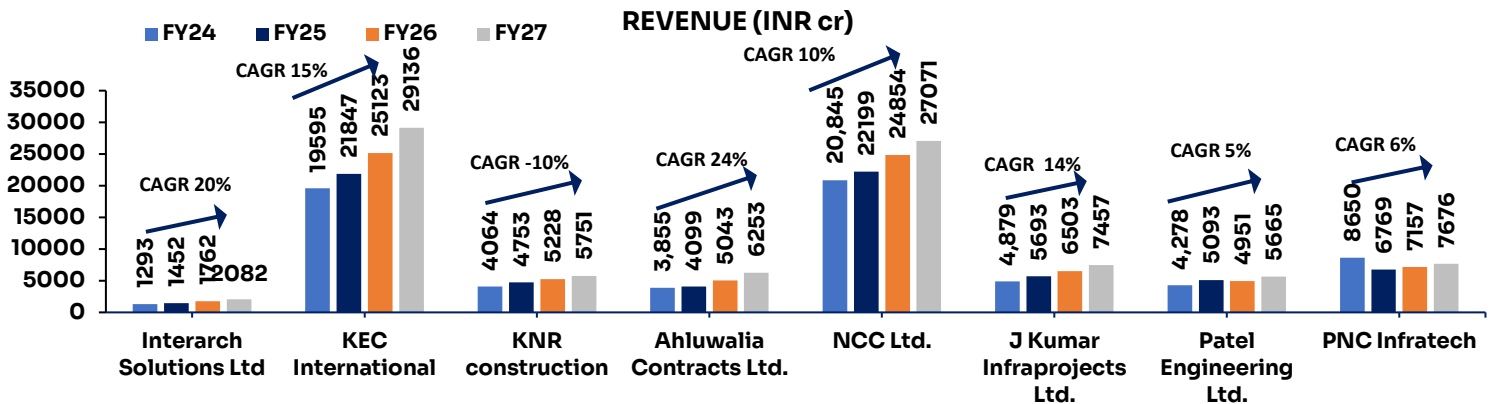
During FY16 despite massive disruptions like demonetization, introduction of GST and Real estate debacle Interarch managed to maintain its growth trajectory.

Strong growth post Covid driven by increase adoption of PEB which in turn company made well positioned for rapid and sustainable growth.



Remarkably, Interarch's growth journey has been devoid of borrowed capital.

Interarch comparison with peers

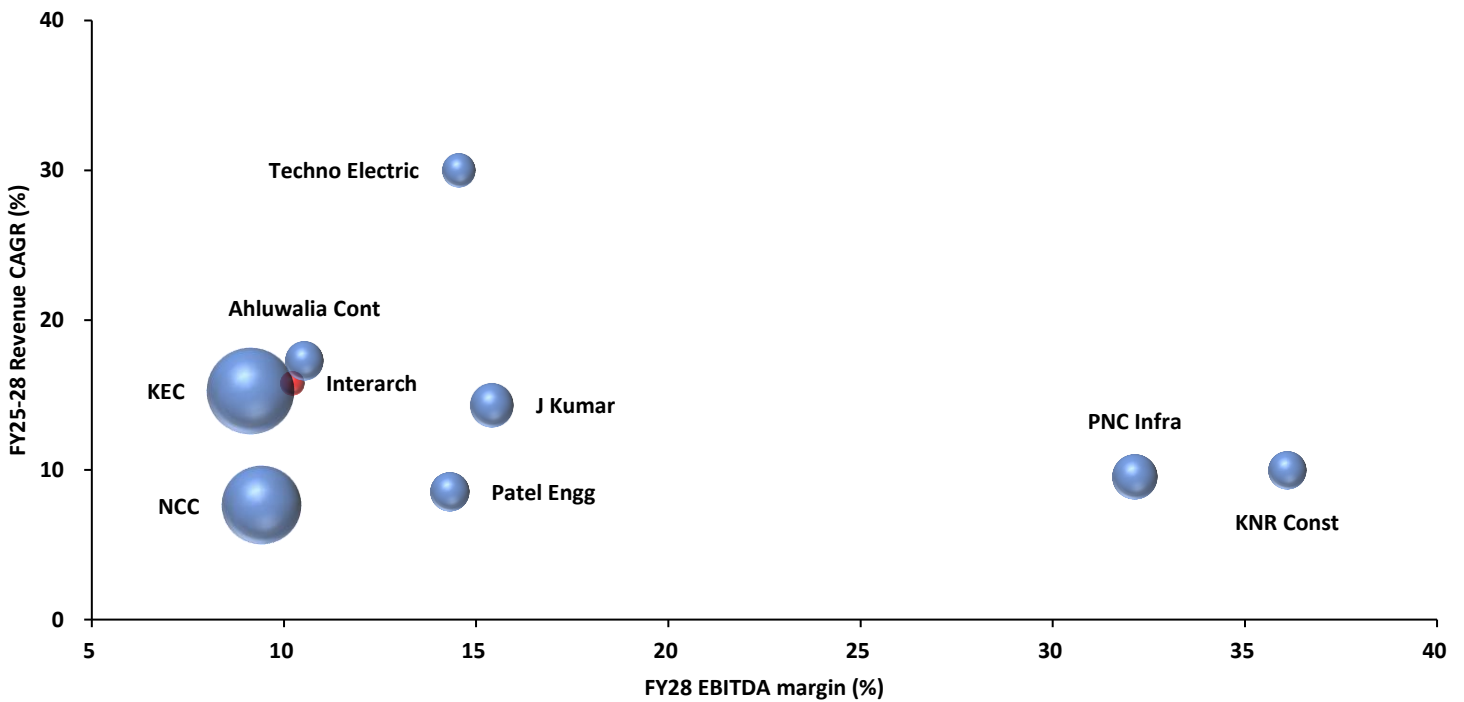
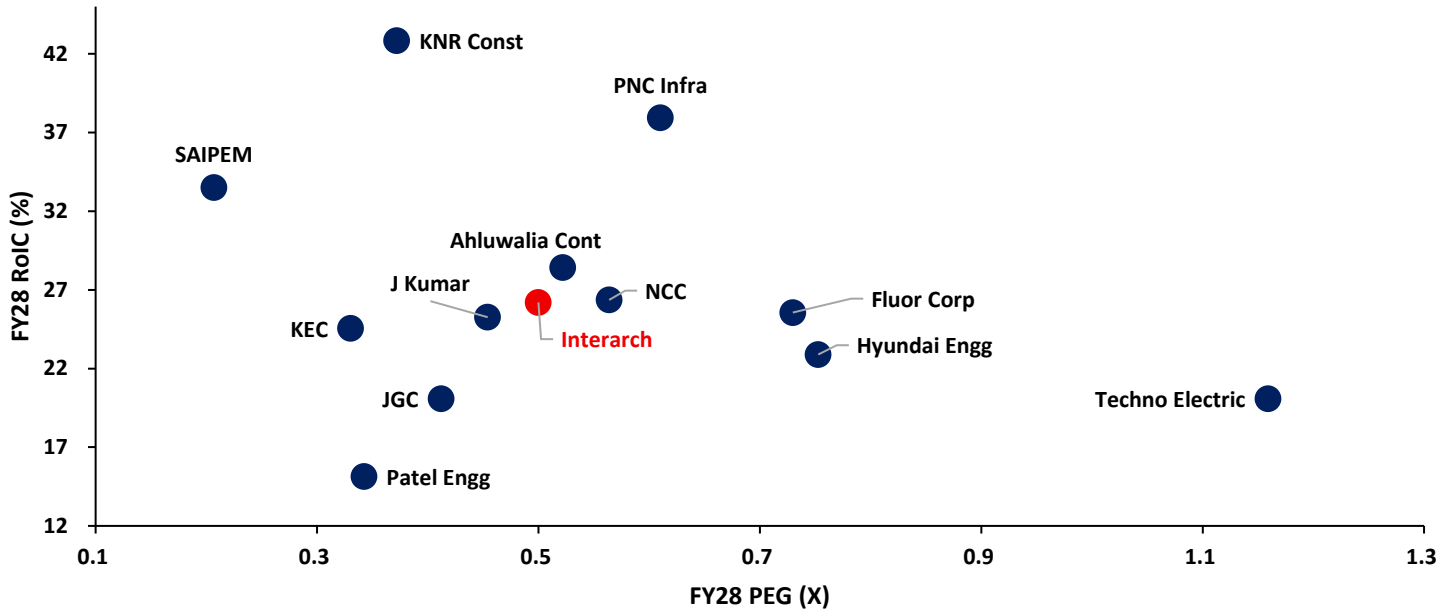


Valuation and comparable metrics of domestic companies

Company Name	Mkt Cap	Price	PEG (X)	P/E (X)			EV/Sales(X)			EV/EBITDA(X)			RoE(%)			RoIC(%)			Sales			EBITDA margin(%)			Net margin(%)		
				2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
PEB Immediate Peer(fig in INR cr, unless specified)																											
Interarch Building Solution Ltd.	3,461	2,080.0	0.4	32.9	24.1	20.3	2.3	1.9	1.6	24.7	17.5	14.5	14.3	16.6	17.7	22.0	24.9	24.6	1,453	1,762	2,082	9.4	10.9	11.1	7.4	8.4	8.4
Pennar Industries	3,514	261.0	0.7	28.2	19.0	15.0	1.3	1.1	1.0	13.6	11.1	9.2	12.7	15.5	17.8	4.3	5.6	6.7	3,226	3,711	4,322	9.6	10.7	10.6	3.7	4.4	5.0
Infrastructure construction																											
KEC International Ltd.	23,966	900.3	0.3	42.0	24.3	17.8	1.2	1.1	0.9	18.1	13.0	10.4	10.7	15.9	18.4	15.3	20.6	23.4	21,847	25,123	29,136	6.9	8.3	8.8	2.6	3.9	4.6
NCC Ltd.	14,127	225.0	0.6	17.2	14.2	12.8	0.6	0.6	0.5	7.4	7.2	6.2	11.2	11.9	11.8	23.2	20.4	21.4	22,199	24,854	27,071	8.6	8.0	8.5	3.7	4.0	4.1
Techno Electric & Engg	18,128	1,558.7	1.2	42.9	37.2	30.1	6.7	5.0	4.0	44.9	31.7	23.9	11.3	12.1	13.4	39.1	22.7	21.8	2,269	3,345	4,243	15.0	15.7	16.5	18.6	14.6	14.2
PNC Infratech Ltd.	7,872	306.9	0.6	9.7	9.0	8.3	2.2	0.8	0.8	7.2	2.7	2.6	13.6	15.3	15.6	14.5	51.5	48.9	6,769	7,157	7,676	30.5	30.9	31.3	12.0	12.2	12.3
KNR Constructions Ltd.	6,284	223.4	0.4	6.3	5.6	5.0	1.6	1.1	1.0	4.8	3.1	2.8	22.1	26.4	26.6	21.8	40.4	40.4	4,753	5,228	5,751	34.2	34.8	35.5	21.1	21.5	21.9
J Kumar Infraprojects Ltd.	5,418	716.0	0.5	13.8	12.0	9.8	0.9	0.8	0.7	6.4	5.5	4.7	13.0	13.3	14.1	22.9	24.1	24.8	5,693	6,503	7,457	14.5	14.7	15.0	6.9	6.9	7.4
Patel Engineering Ltd.	3,439	40.7	0.3	13.9	11.3	8.7	0.9	0.9	0.8	6.2	6.6	5.6	6.5	7.4	8.8	13.0	13.3	14.7	5,093	4,951	5,665	14.4	13.8	14.3	4.9	6.2	6.9
Ahluwalia Contracts Ltd.	6,582	982.5	0.5	32.6	14.9	11.8	1.4	1.1	0.9	16.6	10.0	7.8	11.2	20.9	22.2	30.3	42.0	41.4	4,099	5,043	6,253	8.3	11.1	11.4	4.9	8.7	9.0
Kalpataru Projects Int Ltd.	20,459	1,198.0	0.4	34.9	22.5	17.7	1.0	0.9	0.7	12.5	9.9	8.2	9.0	12.2	13.6	15.0	18.0	20.0	22,316	26,528	30,651	8.2	8.7	9.1	2.6	3.4	3.8
NBCC (India) Ltd.	31,728	117.5	1.5	58.6	44.1	37.0	2.1	2.0	1.7	30.0	37.3	30.7	21.8	24.1	23.9	24.0	26.3	26.1	12,039	13,089	15,292	7.1	5.3	5.5	4.5	5.5	5.6
Global Peers(fig in USD mn, unless specified)																											
Mitsubishi Heavy Inds	80,694	23.9	1.7	52.5	50.1	38.3	2.6	2.4	2.2	28.1	23.0	19.9	10.3	10.2	11.5	10.9	15.6	14.5	32,254	33,003	38,164	9.1	10.6	11.0	4.8	4.9	5.5
Fluor Corporation	8,727	53.0	0.7	31.7	21.2	19.4	0.4	0.4	0.4	15.5	12.2	10.8	7.2	12.2	11.7	18.7	24.3	23.1	16,315	17,826	19,045	2.7	3.5	3.6	1.7	2.3	2.4
SAIPEM SpA	5,634	2.8	0.2	17.0	10.8	8.1	0.4	0.3	0.3	4.2	3.1	2.6	12.4	16.1	19.5	22.9	27.4	32.6	15,739	17,848	18,449	8.8	10.6	11.4	2.1	2.9	3.8
Jacobs Solutions	15,963	132.9	4.4	19.8	21.7	19.3	1.5	1.5	1.4	15.4	14.0	12.6	18.3	17.8	17.8	13.2	22.5	23.7	11,501	11,437	11,659	9.5	10.6	11.4	7.0	6.4	7.1
Hyundai Engg & Construction	6,017	54.0	0.8	13.9	13.2	10.6	0.2	0.2	0.2	5.7	4.2	3.4	8.0	7.2	8.3	16.6	18.6	21.2	23,960	22,397	22,600	3.4	3.9	4.6	1.8	2.0	2.5
JGC Corp	2,238	8.6	0.4	20.0	(85.5)	12.2	0.1	0.0	0.1	2.3	(47.0)	1.3	4.1	(0.1)	6.2	11.2	(9.0)	14.9	5,766	5,633	5,162	2.8	(0.1)	4.7	1.9	(0.0)	3.5

Source: Company Reports & Ventura Research

Revenue growth and margin expansion deserves re-rating in valuation



Interarch's Financial Summary

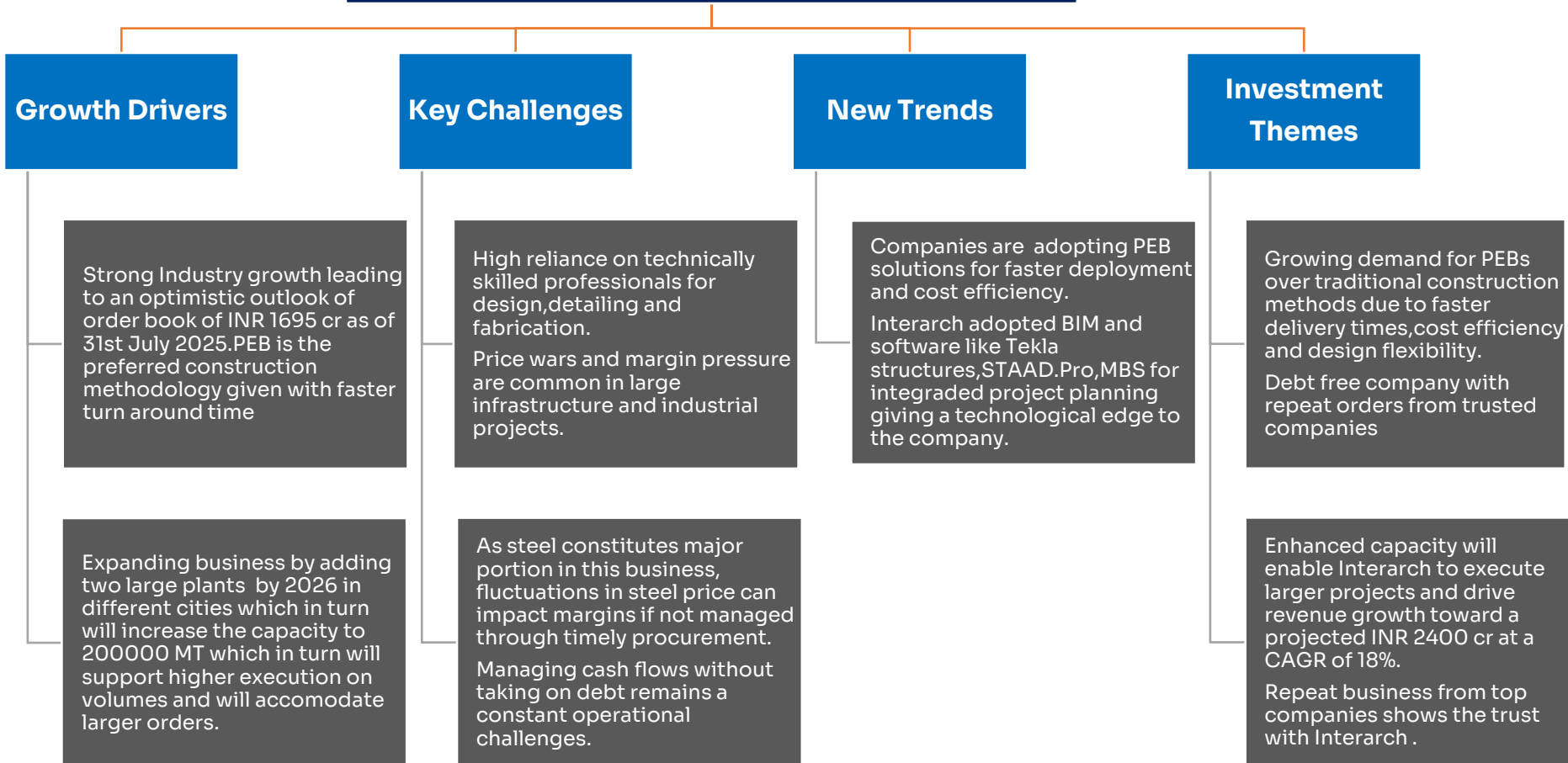
Fig in INR Cr (unless specified)	FY24	FY25	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue from operations	1,293.3	1,453.8	1,761.9	2,082.0	2,410.8	2,771.4	3,161.9	3,579.5	4,020.1	4,478.0	4,946.3	5,417.0
<i>YoY Growth (%)</i>	<i>15.1</i>	<i>12.4</i>	<i>21.2</i>	<i>18.2</i>	<i>15.8</i>	<i>15.0</i>	<i>14.1</i>	<i>13.2</i>	<i>12.3</i>	<i>11.4</i>	<i>10.5</i>	<i>9.5</i>
Raw Material Cost	823.8	889.1	1,074.7	1,270.0	1,470.6	1,690.5	1,928.8	2,183.5	2,452.3	2,731.6	3,017.3	3,304.4
<i>RM Cost to Sales (%)</i>	<i>63.7</i>	<i>61.2</i>	<i>61.0</i>	<i>61.0</i>	<i>61.0</i>	<i>61.0</i>	<i>61.0</i>	<i>61.0</i>	<i>61.0</i>	<i>61.0</i>	<i>61.0</i>	<i>61.0</i>
Employee Cost	119.0	147.0	171.4	201.6	234.9	267.7	302.6	340.4	379.1	418.3	457.6	498.3
<i>Employee Cost to Sales (%)</i>	<i>9.2</i>	<i>10.1</i>	<i>9.7</i>	<i>9.7</i>	<i>9.7</i>	<i>9.7</i>	<i>9.6</i>	<i>9.5</i>	<i>9.4</i>	<i>9.3</i>	<i>9.3</i>	<i>9.2</i>
Other Expenses	230.7	281.5	323.3	379.1	435.6	496.9	562.5	631.8	703.9	777.8	852.3	925.8
<i>Other Expenses to Sales (%)</i>	<i>17.8</i>	<i>19.4</i>	<i>18.4</i>	<i>18.2</i>	<i>18.1</i>	<i>17.9</i>	<i>17.8</i>	<i>17.7</i>	<i>17.5</i>	<i>17.4</i>	<i>17.2</i>	<i>17.1</i>
EBITDA	119.9	136.2	192.5	231.3	269.6	316.2	368.0	423.8	484.9	550.3	619.2	688.5
<i>EBITDA Margin (%)</i>	<i>9.3</i>	<i>9.4</i>	<i>10.9</i>	<i>11.1</i>	<i>11.2</i>	<i>11.4</i>	<i>11.6</i>	<i>11.8</i>	<i>12.1</i>	<i>12.3</i>	<i>12.5</i>	<i>12.7</i>
PAT	86.3	107.8	147.2	174.5	204.6	242.9	285.9	332.7	384.3	440.2	499.7	560.8
<i>PAT Margin (%)</i>	<i>6.7</i>	<i>7.4</i>	<i>8.4</i>	<i>8.4</i>	<i>8.5</i>	<i>8.8</i>	<i>9.0</i>	<i>9.3</i>	<i>9.6</i>	<i>9.8</i>	<i>10.1</i>	<i>10.4</i>
Net Profit	86.3	107.8	147.2	174.5	204.6	242.9	285.9	332.7	384.3	440.2	499.7	560.8
<i>Net Margin (%)</i>	<i>6.7</i>	<i>7.4</i>	<i>8.4</i>	<i>8.4</i>	<i>8.5</i>	<i>8.8</i>	<i>9.0</i>	<i>9.3</i>	<i>9.6</i>	<i>9.8</i>	<i>10.1</i>	<i>10.4</i>
Adjusted EPS	58.7	68.5	88.5	104.9	122.9	146.0	171.8	199.9	230.9	264.5	300.3	337.0
<i>P/E (X)</i>	<i>35.4</i>	<i>30.4</i>	<i>23.5</i>	<i>19.8</i>	<i>16.9</i>	<i>14.2</i>	<i>12.1</i>	<i>10.4</i>	<i>9.0</i>	<i>7.9</i>	<i>6.9</i>	<i>6.2</i>
Adjusted BVPS	267.2	451.6	531.2	625.6	736.2	867.6	1,022.2	1,202.2	1,410.0	1,648.1	1,918.4	2,221.8
<i>P/BV (X)</i>	<i>7.8</i>	<i>4.6</i>	<i>3.9</i>	<i>3.3</i>	<i>2.8</i>	<i>2.4</i>	<i>2.0</i>	<i>1.7</i>	<i>1.5</i>	<i>1.3</i>	<i>1.1</i>	<i>0.9</i>
Enterprise Value	3,333.6	3,274.5	3,281.4	3,269.7	3,175.6	3,057.2	2,909.9	2,729.5	2,510.5	2,247.5	1,935.0	1,569.2
<i>EV/EBITDA (X)</i>	<i>27.8</i>	<i>24.0</i>	<i>17.0</i>	<i>14.1</i>	<i>11.8</i>	<i>9.7</i>	<i>7.9</i>	<i>6.4</i>	<i>5.2</i>	<i>4.1</i>	<i>3.1</i>	<i>2.3</i>
Net Worth	444.6	751.4	883.9	1,041.0	1,225.1	1,443.7	1,701.0	2,000.5	2,346.3	2,742.5	3,192.3	3,697.0
<i>Return on Equity (%)</i>	<i>19.4</i>	<i>14.3</i>	<i>16.7</i>	<i>16.8</i>	<i>16.7</i>	<i>16.8</i>	<i>16.8</i>	<i>16.6</i>	<i>16.4</i>	<i>16.1</i>	<i>15.7</i>	<i>15.2</i>
Capital Employed	454.8	768.6	901.1	1,058.2	1,242.3	1,460.9	1,718.2	2,017.7	2,363.5	2,759.7	3,209.5	3,714.2
<i>Return on Capital Employed (%)</i>	<i>18.3</i>	<i>12.2</i>	<i>14.6</i>	<i>14.8</i>	<i>14.8</i>	<i>14.9</i>	<i>14.8</i>	<i>14.6</i>	<i>14.3</i>	<i>14.0</i>	<i>13.6</i>	<i>13.0</i>
Invested Capital	317.1	564.8	704.2	849.5	939.5	1,039.7	1,149.8	1,268.9	1,395.7	1,528.9	1,666.2	1,805.1
<i>Return on Invested Capital (%)</i>	<i>35.3</i>	<i>22.0</i>	<i>24.9</i>	<i>24.6</i>	<i>26.2</i>	<i>28.0</i>	<i>29.6</i>	<i>31.1</i>	<i>32.4</i>	<i>33.7</i>	<i>34.9</i>	<i>35.9</i>
Cash Flow from Operations	81.5	53.0	88.5	117.9	147.3	179.2	216.5	258.6	306.9	361.1	421.1	485.1
Cash Flow from Investing	(32.8)	(223.0)	(102.8)	(112.1)	(56.8)	(63.3)	(69.9)	(76.5)	(82.9)	(88.9)	(94.4)	(99.1)
Cash Flow from Financing	(45.8)	192.0	(18.1)	(20.5)	(23.5)	(27.3)	(31.6)	(36.3)	(41.5)	(47.1)	(53.0)	(59.1)
Net Cash Flow	2.9	22.0	(32.3)	(14.8)	66.9	88.6	115.0	145.8	182.5	225.2	273.7	326.8
Free Cash Flow	63.4	(11.2)	8.2	40.1	125.5	153.8	187.2	225.1	269.0	318.6	373.9	433.2
<i>FCF to Revenue (%)</i>	<i>4.9</i>	<i>(0.8)</i>	<i>0.5</i>	<i>1.9</i>	<i>5.2</i>	<i>5.5</i>	<i>5.9</i>	<i>6.3</i>	<i>6.7</i>	<i>7.1</i>	<i>7.6</i>	<i>8.0</i>
<i>FCF to EBITDA (%)</i>	<i>52.9</i>	<i>(8.2)</i>	<i>4.3</i>	<i>17.4</i>	<i>46.5</i>	<i>48.6</i>	<i>50.9</i>	<i>53.1</i>	<i>55.5</i>	<i>57.9</i>	<i>60.4</i>	<i>62.9</i>
<i>FCF to Net Profit (%)</i>	<i>73.5</i>	<i>(10.4)</i>	<i>5.6</i>	<i>23.0</i>	<i>61.3</i>	<i>63.3</i>	<i>65.5</i>	<i>67.7</i>	<i>70.0</i>	<i>72.4</i>	<i>74.8</i>	<i>77.2</i>
<i>FCF to Net Worth (%)</i>	<i>14.3</i>	<i>(1.5)</i>	<i>0.9</i>	<i>3.9</i>	<i>10.2</i>	<i>10.7</i>	<i>11.0</i>	<i>11.3</i>	<i>11.5</i>	<i>11.6</i>	<i>11.7</i>	<i>11.7</i>
Total Debt	10	17	17	17	17	17	17	17	17	17	17	17
Net Debt	(127)	(187)	(180)	(191)	(286)	(404)	(551)	(732)	(951)	(1214)	(1526)	(1892)
<i>Net Debt to Equity (X)</i>	<i>(0.3)</i>	<i>(0.2)</i>	<i>(0.2)</i>	<i>(0.2)</i>	<i>(0.2)</i>	<i>(0.3)</i>	<i>(0.3)</i>	<i>(0.4)</i>	<i>(0.4)</i>	<i>(0.4)</i>	<i>(0.5)</i>	<i>(0.5)</i>
<i>Net Debt to EBITDA (X)</i>	<i>(1.1)</i>	<i>(1.4)</i>	<i>(0.9)</i>	<i>(0.8)</i>	<i>(1.1)</i>	<i>(1.3)</i>	<i>(1.5)</i>	<i>(1.7)</i>	<i>(2.0)</i>	<i>(2.2)</i>	<i>(2.5)</i>	<i>(2.7)</i>
<i>Interest Coverage Ratio (X)</i>	<i>12.4</i>	<i>51.2</i>	<i>57.5</i>	<i>68.6</i>	<i>80.7</i>	<i>95.4</i>	<i>111.7</i>	<i>129.3</i>	<i>148.4</i>	<i>169.0</i>	<i>190.5</i>	<i>212.2</i>
Fundamental scores												
Altman Z Score	2.6	2.1	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.0	2.0	1.9
Piotroski F-score	5.0	4.0	5.0	4.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0
Beneish M-score	(2.3)	(2.1)	(1.8)	(1.9)	(2.1)	(2.1)	(2.1)	(2.1)	(2.2)	(2.2)	(2.2)	(2.2)

*Total share outstanding has been taken as an average of year end and previous year end number.

Source: ACE Equity, Company Reports & Ventura Research

SWOT Analysis

Interarch Building Solutions Ltd.

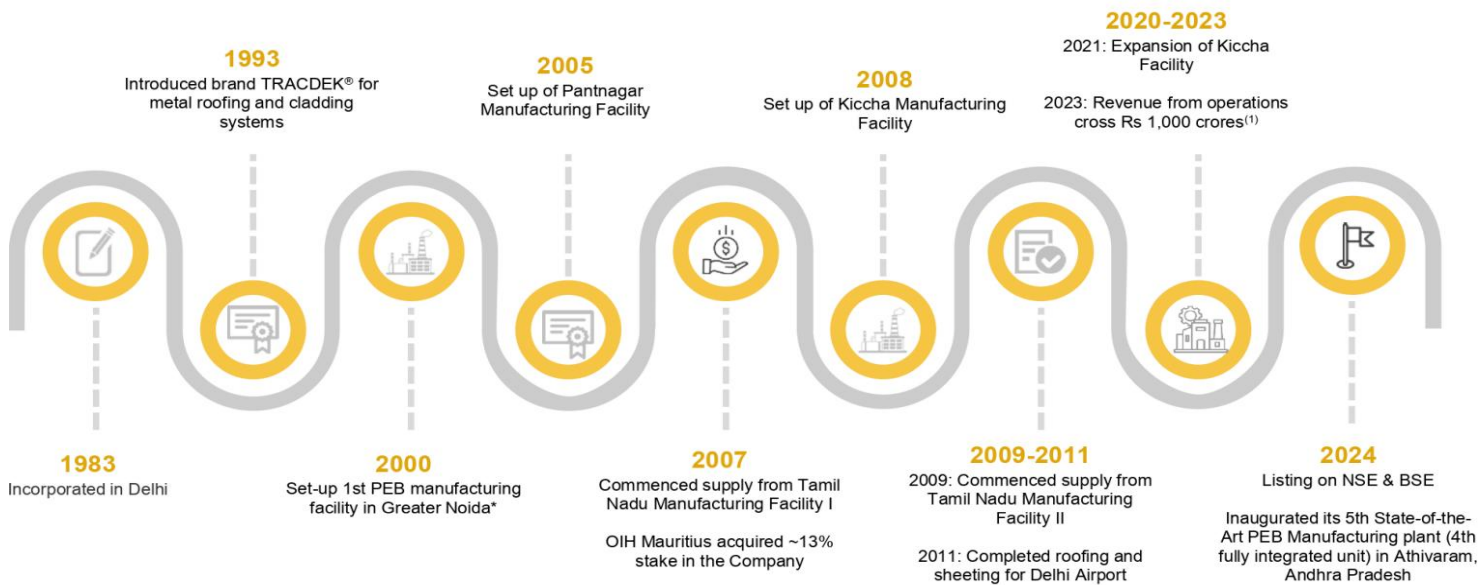


Source: Company Reports & Ventura Research

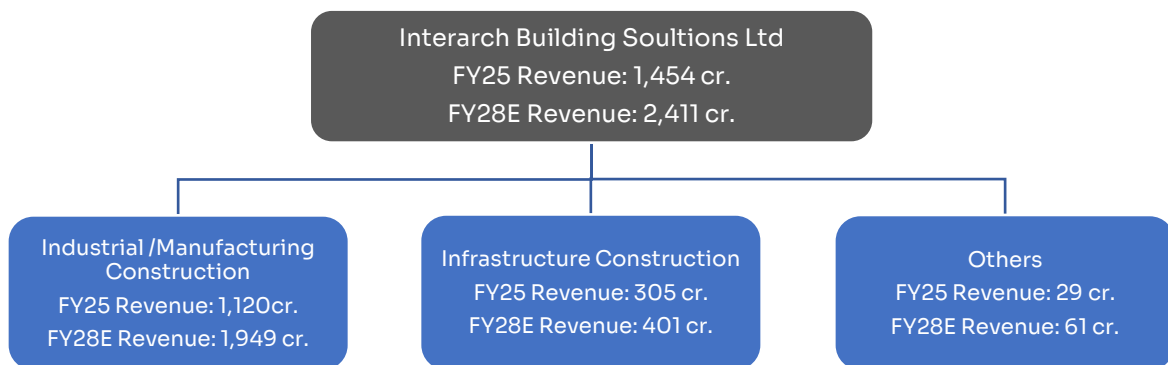
About Interarch Building Solutions

Interarch is the third largest of the leading turnkey pre-engineered steel construction solutions providers in India with integrated facilities for design and engineering, manufacturing, on-site project management capabilities for the installation and erection of pre-engineered steel buildings (PEB).

Company Overview and Growth Drivers



Revenue From operations:



Offerings:

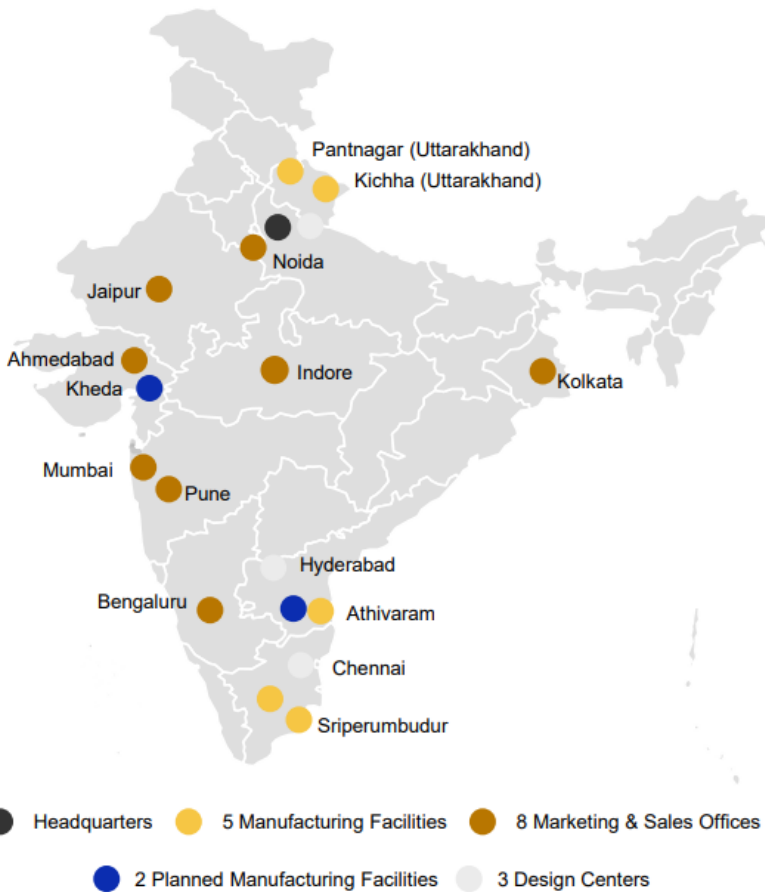
With over a decade of industry experience, Interarch has established a strong domestic presence among leading companies by delivering customized PEB solutions. The company operates multiple manufacturing facilities in Pantnagar and Kiccha (Uttarakhand), two locations in Tamil Nadu, and one in Andhra Pradesh. These facilities leverage advanced computer-aided technologies such as SaaS Pro, MBS, Frame CAD, Tekla, AutoCAD, and ZWCAD. Interarch has also set up dedicated safety and quality control teams to monitor and ensure excellence at every stage of the erection process.

Indian Top Diverse customer base:



The company has built strong customer relationships by consistently delivering high-quality, durable, and reliable PEBs. As a result, three of its top five customers are repeat clients who have been associated with the company for over five years.

Manufacturing Operations, Design & Engineered centers, Marketing & Sales offices

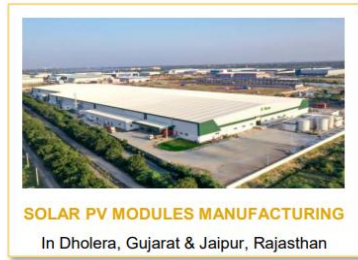
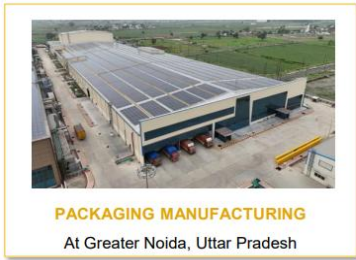
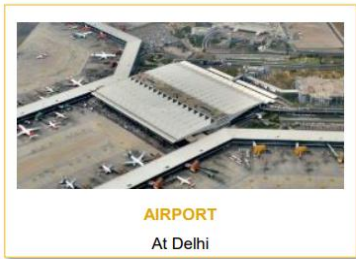


Manufacturing Facilities

Facility	Set up Year	Installed capacity (MTPA) ⁽¹⁾	Utilizable capacity (MTPA)
Pantnagar Manufacturing Facility	2005	31,000	~26,000
Kiccha Manufacturing Facility	2008	59,500	~50,000
Tamil Nadu Manufacturing Facility I	2007	10,000	~8,500
Tamil Nadu Manufacturing Facility II	2009	40,500	~34,000
Andhra Pradesh Phase 1 (Commissioned)	2024	20,000	~17,000
Andhra Pradesh Phase 2 + Kiccha Expansion (Planned)	Q2FY26	40,000	~32,000
Andhra Pradesh (Heavy Steel Structures)	July-26	-	-
Gujarat (Planned)	-	-	-
Total⁽¹⁾		1,61,000	~1,35,500



Proven track record of successfully delivering large-scale and complex projects throughout India.



Strategic Global Reach via Strategic Alliance with Mold-Tek Technologies:

Objective of collaboration: The partnership aims to leverage Mold-Tek’s engineering expertise and Interarch’s execution capabilities to deliver integrated steel building solutions to the global market with sharp focus on United States and other international geographies.

Key Roles and Synergies

Mold-Tek Technologies (MTTL) (Hyderabad)
Will provide end to end engineering service including: Structural Design, Detailing, Project Management, U.S. Code Compliant stamping and Documentation

Interarch Building Solutions
Will oversee the manufacturing, Supply Chain, erection and logistics offering turnkey delivery of PEB and structural steel solutions.

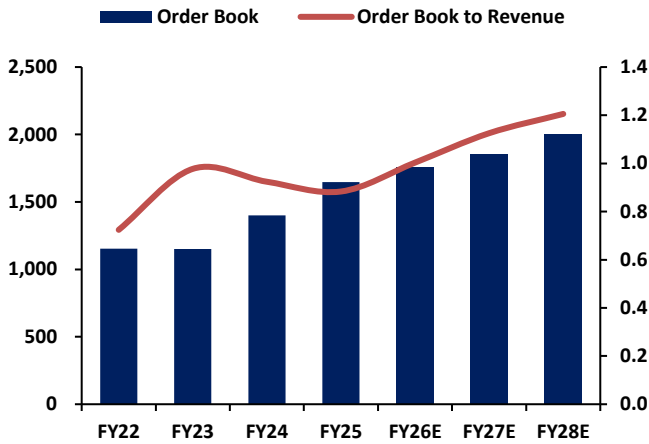
Strategic Impact and Commercial Terms

This collaboration:

- Strengthens **export potential** for both companies.
- Enables **faster market penetration** in the U.S. by combining technical precision and on-ground execution.
- Positions both entities to **jointly pursue large-scale international projects** with end-to-end capabilities.
- MTTL will be entitled to a **5% commission** on export orders it facilitates.
- Interarch will operate **exclusively** on clients introduced by MTTL unless written consent is obtained.
- The MoU is valid for an initial period of **two years**, extendable by mutual agreement

Business Growth

Order Book to Revenue



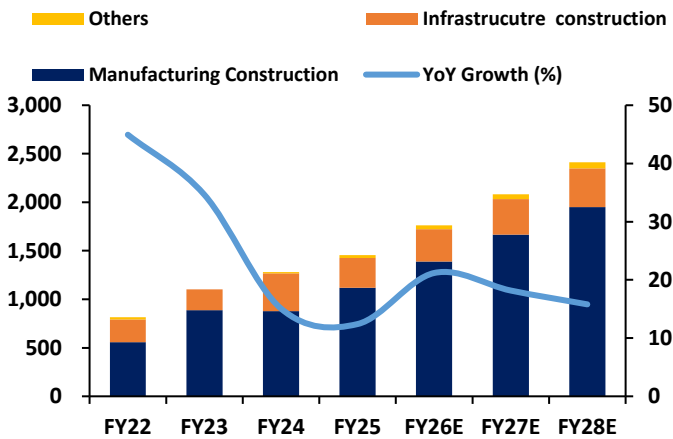
Maintaining a healthy Order book

Interarch has a robust order book of **INR 1,695cr** as on **31st July 2025**. To meet this demand, the company is setting up two new plants in Andhra Pradesh and Chennai, which are expected to become operational by Q2FY26 and July 2026, respectively.

The company has successfully delivered over **700** projects between **2015 and 2025** and is now focused on achieving an order book target of **INR 2,000** crore by leveraging both new and existing customers.

We expect the order book to scale to 2000 cr by FY28.

Revenue Mix & Growth



Revenue Growth is driven by inflow of orders and installation of new plants.

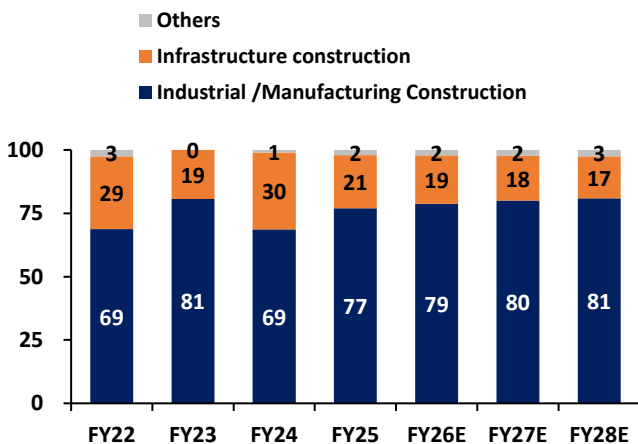
Due to inflow of new orders, Interarch's revenue is expected to grow at a **CAGR of 18%**, reaching **INR 2,400 cr** by **FY28**.

The company's primary revenue in FY25 was from

- Manufacturing construction (accounting for **77%**)
- Infrastructure construction (**~21%**)
- Other segments (**1%**)

The company is also foraying into structured steel projects for the US markets in collaboration with Mold-Tek Technologies (Hyderabad).

Segmental Revenue (%)

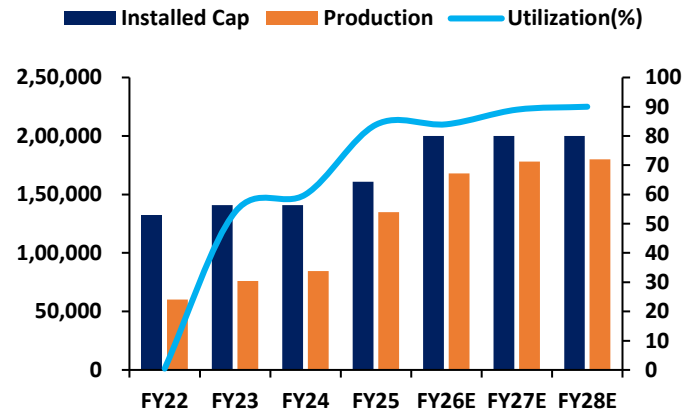


Yearly Growth in Production

With the addition of two new plants, Interarch's installed capacity is set to increase from **161,000 MT in FY25 to 200,000 MT by Q2FY26**

The company is currently operating at an efficient capacity utilization level of **80% to 90%**. The increased capacity is adequate to cater to its future growth.

Production



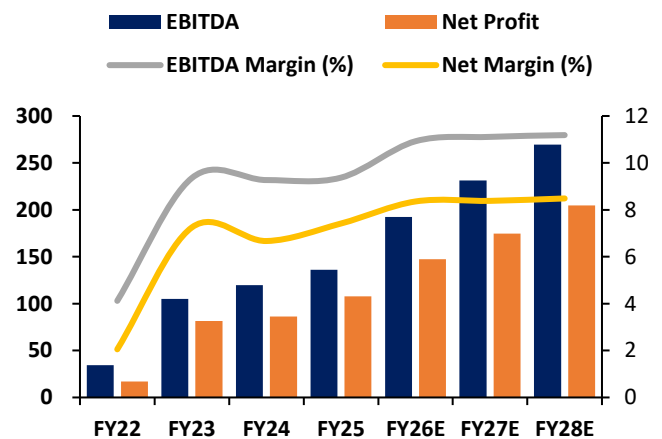
Strong and improving Profitability

Interarch has demonstrated strong financial performance with consistent growth in both EBITDA and net profit. In **FY25**, the company's EBITDA rose significantly to **INR 147.2 cr**, with margins improving to nearly **10%**, up from **9.1%** in **FY24**.

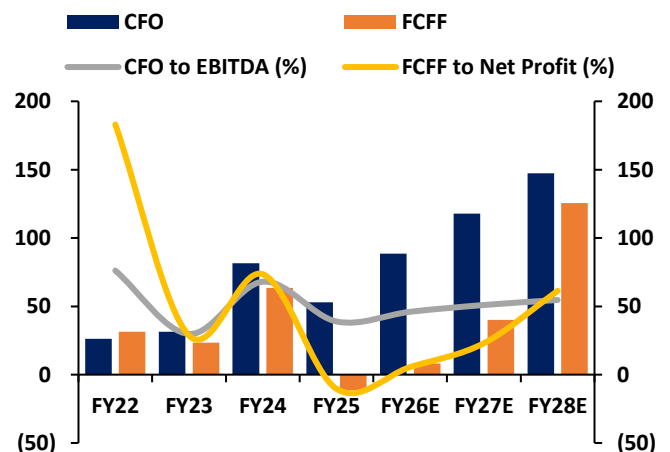
Net profit also saw a healthy **25%** year-on-year increase, reaching **INR 107.8 crore** compared to **INR 86.3 cr.** in the previous year, with net margins improving from **6.66%** to **7.41%**.

On a quarterly basis, the momentum remained strong, with **Q4 FY25 EBITDA** up **37%** quarter-on-quarter and net profit rising by a similar margin. These gains highlight Interarch's ability to capitalize on growing demand and scale profitably, supported by a solid order book and expanding operations.

Profitability



CashFlow Performance

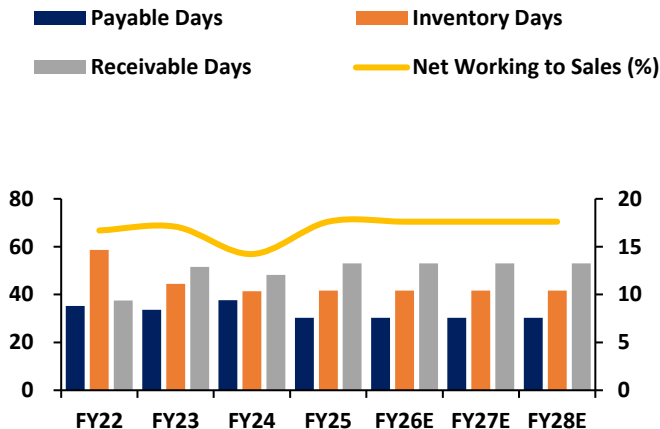


Maintaining Healthy Cash flow

The cash flow jumped in March 2024 to **INR 81.5 cr**, and dipped in March 2025 to **INR 53 cr** due to stretched working capital

FCFF become negative given the capex of **INR 70 cr** this year for new plant in Andhra Pradesh phase 2 and expansion and another **INR 80 cr** capex for another plant in Andhra Pradesh for heavy steel structures following year around July or August 2026

Working Capital



Stable Working capital

Payable Days: The company has been decreased the payable days from **59 to 50** in FY25 and is achieving this very comfortably.

Receivable days: has increased from 48 in FY24 to 53 FY25 which is a nominal change and within the range.

Inventory Days: has increased from 65 in FY24 to 68 in FY25 which also a nominal increase.

Conservatively, we have taken into consideration a higher working capital cycle in our projections.

Strong returns on capital, showcasing efficient use of shareholder equity and operating capital

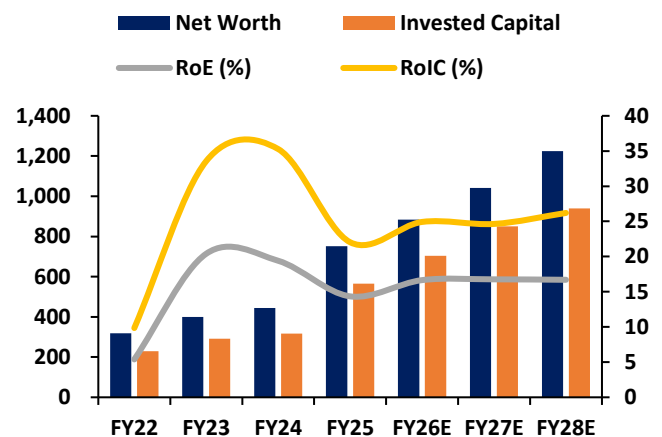
As of March 2025, Interarch's standalone ROE stood at **14%** is estimated to grow **17% in FY28**.

Interarch's ROCE was **12.2% in FY 25** and is estimated to grow to **15 % in FY28**.

Interarch's RoIC stood at **22% in FY25** and is estimated to grow to **26.2% in FY28**.

Overall, return ratios are in line with the benchmark they have set and we expect this to sustain.

Return Ratios



Five step Dupont analysis for Interarch

We have used the five-step Dupont analysis to analyze **Interarch's** financial strength.

Five Step Dupont Analysis for FY25-Interarch

Company	Interest Burden(x)	Tax Burden(x)	EBIT margin (%)	Total Asset Turnover(x)	Total Asset to NetWorth	ROE(%)	Dividend Payout(%)	Sustainable Growth(%)
INTERARCH	1.2	0.9	8.6	1.9	1.0	14.3	18.2	18.0
M&B Engineering	0.8	0.9	10.1	1.3	2.8	28.4	0.0	23.0
Pennar Industries	3.2	0.9	7.5	1.1	3.4	12.7	0.0	9.2

Interarch is a financially disciplined and efficiently managed company, making its high ROE sustainable and low-risk.

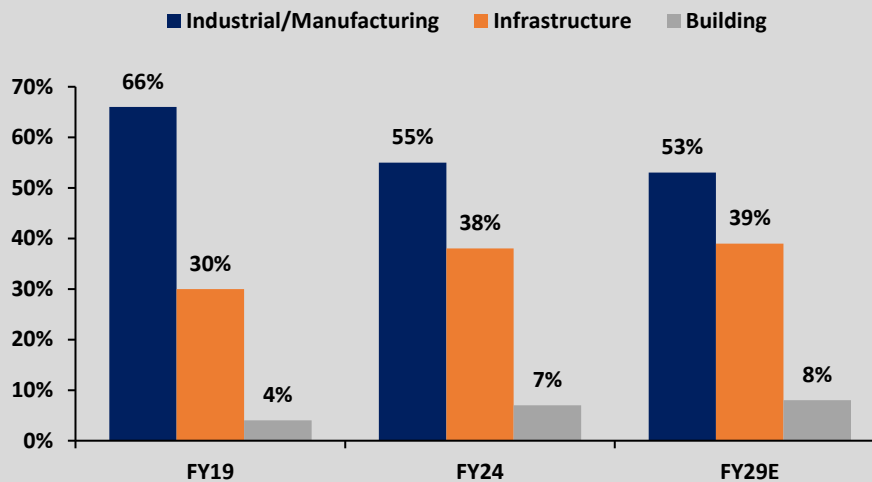
Interarch paid its first-ever dividend in FY 2025 with a conservative payout ratio (~18%), signaling strong profitability and commitment to shareholder value while still prioritizing growth through reinvestment.

PEB Sector in India:

- The industrial sector leads the PEB market share due to greater adoption across industries such as automobile, cement, and oil & gas, among others.
- The infrastructure segment is experiencing rapid growth, driven by the rising adoption of PEBs in warehouses, cold storage facilities, data centers, power plants, aircraft hangars, and railway yards.
- The growth in the building sector share will be led by growing adoption of pre-engineered steel buildings

Size of the Market in India for PEB is set to triple in value by 2030-33

PEB Industry In India



Key Growth Drivers

- **Industrial & warehousing expansion:** Driven by manufacturing, auto, logistics, e-commerce, and cold storage demand
- **Government support:** Schemes like Make in India, Smart Cities, Gati Shakti and industrial corridor projects accelerate adoption.
- **Cost and time efficiency:** Factory-fabricated steel components reduce labour, waste, and construction timelines.
- **Technology & sustainability:** Adoption of BIM/CAD, modular design, recyclable steel, and green features enhances appeal.
- **Large unorganised segment:** provides massive scope for the growth of the organised sector through market share gains.

Advantages of Pre-Engineered Steel Buildings over Traditional construction

- Compared to technical difficulties and shortage of labour in traditional construction PEB's majority of the construction is done in closed environments reducing the need for on-site labour.
- PEB is more sustainable compared to traditional construction as it causes less disturbance to the construction sites surrounding. Also reduces the carbon footprint due to standardized processes and streamlined procedures.
- PEB gives faster construction timelines and cost optimization by allowing simultaneous preparation of the foundation at the construction site which helps accelerate project timelines and cost optimization.
- Low share of pre-engineered buildings in India combined with the increasing of awareness of benefits & cost savings in pre-engineered buildings over RCC, provides a substantial growth potential of pre-engineered buildings in India

Growing towards the organised sector

■ Organised Sector ■ UnOrganised Sector



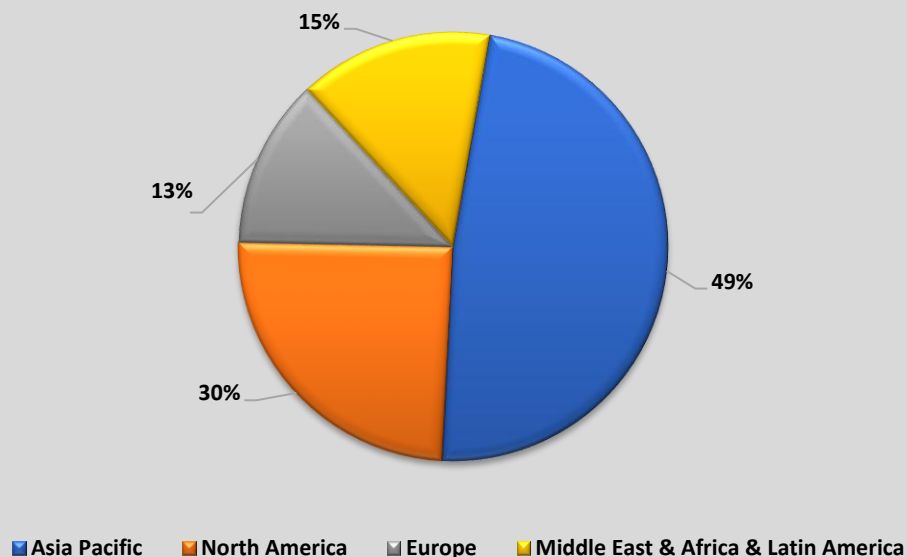
Organized Sector has an edge over the unorganized sector in terms of:

- Reliable track record by the company
- Maximized supply chain capabilities
- Quality engineering services and products.

Global Pre-Engineered Building Market:

- The **PEB Market** size was valued at **USD 25038.85** Million in 2024 and the total Pre-Engineered Buildings revenue is expected to grow at a **CAGR of 11.5%** from 2025 to 2032, reaching nearly **USD 59815.44 Million**.
- India's market size was expected to reach USD 2.01 billion in 2024 and is projected to reach USD 6.33 billion by 2033, exhibiting a CAGR of **12.50%** during 2025-2033.

Regional Market Share of PEB FY24



Regional Market Share and Growth

- **Asia Pacific:** This region held the largest market share in 2024 accounting **49%** and is expected to be the fastest-growing region.
- **China:** Projected to lead the regional market in terms of revenue in 2030.
- **India:** A major market within Asia Pacific, experiencing substantial growth. It accounted for **15.0%** of the global market in 2024.
- **Indonesia:** Fastest-growing regional market in Asia Pacific.
- **North America:** Dominated the global market in 2024, with a **30 %** revenue share with Canada and the U.S. leading demanding warehouses, cold storage and industrial facilities
- **Europe:** Estimated to have **12-15%** share, with steady annual growth (**CAGR 12-13%** projected)
- **Middle East & Africa (MEA) and Latin America: Together,** these regions represent about **10-15%**, driven by oil-&-gas infrastructure, mining, agriculture, and logistics.

Business Quality Score

Key Criteria	Score	Risk	Comments
Management & Leadership			
Management Quality	9	Low	Professional management emphasizes customer satisfaction, efficient resource utilization, and continuous improvement in its quality management system. It also focuses on training and mentoring its teams to ensure high-quality project delivery and customer satisfaction.
Promoters Holding Pledge	7	Low	The promoters hold 59.9% of the company's shares, and none of these shares are pledged
Board of Directors Profile	8	Low	Experienced and qualified directors since 2015. Well versed to tackle ups and down in PEB.
Industry Consideration			
Industry Growth	8	Low	Domestically and globally the industry is expected to grow at 12 %CAGR.
Regulatory Environment or Risk	8	Low	Emphasies on reuseable steel, green building norms, less wasteful construction.
Entry Barriers / Competition	9	Low	Second largest in PEB sector in India and improvising by adopting new technology compared to other competitors.
Business Prospects			
New Business / Client Potential	9	Low	Installed two new plants to increase the capacity in turn to fulfill the orders.
Business Diversification	9	Low	Expanded horizontally (different building types) and vertically (control over the value chain) to reduce dependency on any single market.
Market Share Potential	9	Low	10% -15% market share, considered as No.3 among the top 5 PEB companies.
Margin Expansion Potential	8	Low	EBITDA margin expansion (457 bps by FY28E) driven by operational efficiencies, growing scale, and favorable shift towards higher-margin formulations segment.
Earnings Growth	8	Low	17% YoY increase indicates the growth of the company as healthy and expected to grow 20 % by FY28.
Valuation and Risk			
Balance Sheet Strength	9	Low	Net worth improving significantly (INR 751 cr to INR 1225 cr by FY28E), supported by newly installed plant and repeated orders from existing customers.
Debt Profile	9	Low	Debt free company sitting on high cash reserves.
FCF Generation	8	Low	Robust FCF improvement due to efficient working capital management, controlled capex requirements, and expanding EBITDA margins.
Dividend Policy	8	Low	First ever dividend of INR 12.5/-per equity share has been declared in FY25 with a Dividend payout ratio of 18%.
Total Score	126	Low	Good growth and good potential of 30 % increase in the current market price.
Ventura Score (%)	84%		

Source: Company Reports & Ventura Research

Management Team

Key Person	Designation	Details
Arvind Nanda	Managing Director	Having Commerce background and UK Chartered Accountancy from Wales, UK, is responsible for overall business decision making and financial oversight of operational Management.
Gautam Suri	Whole-time Director	Mechanical Engineering from IIT Delhi, is responsible for critical technical business decisions. Nearly 43 years of experience in the pre-engineered steel buildings industry with the company.
Manish Kumar Garg	CEO	IIM(Bangalore), Harvard, Civil and Structural engineering. Experienced in marketing skill sets him apart. Previously associated with Everest Industries Ltd, Safal building system Ltd.
Pushendra Kumar Bansal	CFO	Chartered accountant by profession. Previously associated with Action Construction Equipment Limited, Omax Autos Limited, Jakson Limited and Microtek International Private Limited Good in Strategic planning, Negotiation and team management.
Anil Kumar Chandani	President (Corporate Finance, Strategy)	FCS, FCA, AICWA with around 34 yrs of experience. He worked in HCC, Oriental Structural Engineers, Hind ware Italian Tiles, GHCL and Asahi India Glass among others in leaderships as CFO roles.

Source: Company reports

Key Risks & Concerns

- **Competition and Pricing pressure:** Strong competition from domestic players (Pennar, Kirby, Zamil, etc.) and smaller regional players may result in aggressive pricing, lower margins, and pressure to differentiate via service or tech.
- **Regulatory and Environmental Compliance:** PEBs are subject to industrial, construction, labor, fire, and environmental regulations. Non-compliance or changes in norms (especially regarding green building standards) may lead to additional costs or reputational damage.
- **Dependency on Infrastructure Push:** Interarch's growth is tied to government and private sector infrastructure spending. Policy slowdowns, election cycles, or delays in budget disbursement can weaken growth momentum.
- **Skilled Labor & Talent Management:** PEBs require skilled designers, engineers, and site supervisors. Talent shortage or attrition could hurt delivery timelines and quality.
- **Raw Material Price Volatility:** Steel is the primary raw material (65% of cost). Prices can be volatile due to global supply-demand dynamics. Sudden price hikes can compress margins if costs can't be passed on to customers.

FY 24 Report Analysis

We analyzed the FY24 annual report and our key observations are as follows:

Key Developments:

Financial Performance: The company's revenue from operations grew by 15.07% to Rs. 1,29,330.16 lakhs, up from Rs. 1,12,392.60 lakhs in FY 2022-23. Profit after Tax (PAT) increased by 5.89% to Rs. 8,626.20 lakhs from Rs. 8,146.24 lakhs in the previous year. EBITDA stood at Rs. 11,620 lakhs with an EBITDA margin of 8.94%. The company reported positive operating cash flows and maintained a 100% debt-free status.

- **Market Position and Capacity:** Interarch ranked second in operating revenue among integrated Pre-Engineered Building (PEB) players in India and achieved the second-largest installed capacity of 141,000 MTPA, holding a 6.5% market share in operating income.
- **Project Execution and Clientele:** The company constructed 89 projects in FY 2023-24, with 100% of its revenue derived from PEBs. It boasts a repeat clientele rate of over 70%, with revenue from repeat orders accounting for 81.39% of total revenue from operations in FY 2023-24. New clients secured include Toppan, Bhartiyam, KEC, Ampin Solar, IDVB Recycling, MICRON (for semiconductors), and CINDA (for Apple phone assembly).
- **Capacity Expansion:** Phase 1 of the Andhra plant is in trial production, with Phase 2 commencing soon. Land has been booked for a Gujarat factory, targeted for expansion in the 2025-2027 period. Capacity was also enhanced at Pantnagar and Kichha plants through line balancing.
- **Corporate Restructuring & IPO:** The company converted from a Private Limited Company to a Public Limited Company effective December 15, 2023. It is in the final stages of its Initial Public Offer (IPO) process, having received in-principal approval from NSE Limited and BSE Limited, with the Draft Red Herring Prospectus (DRHP) filed with SEBI on March 18, 2024.
- **Workforce:** The number of employees increased to 2,131 as of March 31, 2024, from 1,741 in FY 2022-23.

Digital and Engineering

- **Digital Transformation:** The engineering process has been digitized, harnessing advanced specialized Design Technologies: The company utilizes state-of-the-art design technologies including Staad Pro, MBS, FrameCad, Tekla, AutoCAD, and ZWCAD to meet customer needs with precision and efficiency.
- **ERP Infrastructure:** Interarch is upgrading its ERP infrastructure with the implementation of S/4 HANA. This platform is intended to seamlessly integrate supply chain and project management, driving greater cost efficiency, streamlined processes, and faster project delivery.
- **software and custom-developed analysis tools** to ensure comprehensive and transparent design calculations.

Sustainability & ESG

- **Recyclable Steel:** The company uses 100% steel in construction, achieving up to a 90% recyclability rate.
- **Reduced Carbon Footprint:** Construction sites efficiently manage solid and construction debris to decrease carbon emissions.
- **Low-VOC Paints:** Prioritizes Low-VOC (volatile organic compounds) paints to minimize heat transfer and contribute to high indoor air quality.
- **Energy-Efficient Production:** Employs advanced steel fabrication techniques at manufacturing facilities to significantly lower greenhouse gas emissions.

Dividend & Shareholder Value

- **Dividend:** The Directors are not recommending any dividend on equity shares for FY 2023-24, as the company is investing in the expansion of its manufacturing facilities to drive growth.
- **Share Buyback:** During the year, the company completed a buyback of 5,84,708 equity shares at Rs. 667 per share for an aggregate of Rs. 3,900 lakhs. These shares were extinguished on September 25, 2023. This led to a reduction in paid-up share capital.
- **Employee Stock Option Plan (ESOP):** The company adopted the ESOP Scheme 2023 to incentivize employees, though no stock options have been granted as of March 31, 2024.
- **Debt-Free Status:** Interarch maintains a 100% debt-free status, reflecting strong financial stability.

Future Outlook

- **Industry Growth:** The Indian PEB industry is forecasted to expand at a CAGR of 11-12% from FY 2024 to FY 2029, potentially reaching Rs. 330-340 billion. This growth is supported by significant investments in industrial and infrastructure sectors and government initiatives like the National Steel Policy.
- **Geographical Expansion:** Plans include expanding operations into Southeastern and Western India with new manufacturing facilities in Athivaram (Andhra Pradesh) and Kheda (Gujarat). The sales and marketing network is also expanding across India, with new personnel in various cities.

Auditor's qualifications and significant notes to accounts

In the auditor's opinion, the consolidated financial results of Interarch Building Solution Ltd. for the year ended 31 March 2024 are true and fair, comply with Ind AS and SEBI Listing Regulations, and are based on duly audited financials of its subsidiaries.

Contingent Liabilities FY24

Contingent Liability Description	Amount (INR Lakhs)
Disputed demand received from Goa Sales tax.	44.04
Disputed demands by West Bengal Sales tax.	312.06
Disputed demands by Commercial tax department Jharkhand.	17.51
Disputed demands by GST Authorities.	1615.04
Disputed demand by Deputy Commissioner of commercial tax, Jharkhand	60.34
Employees provident Fund (2007-08) & (2014-14)	30.37



Interarch quarterly and annual performance

Fig in INR Cr (unless specified)	FY21	FY22	FY23	FY24	Q1FY25	Q2FY24	Q3FY24	Q4FY25	FY25	Q1FY26	FY26E	FY27E	FY28E
Revenue from operations	576.1	834.9	1,123.9	1,293.3	303.4	323.3	363.6	463.5	1,453.8	380.5	1,761.9	2,082.0	2,410.8
<i>YoY Growth (%)</i>	<i>(19.9)</i>	<i>44.9</i>	<i>34.6</i>	<i>15.1</i>	<i>3.3</i>	<i>8.5</i>	<i>15.0</i>	<i>20.2</i>	<i>12.4</i>	<i>25.4</i>	<i>21.2</i>	<i>18.2</i>	<i>15.8</i>
Raw Material Cost	362.3	564.8	732.5	823.8	191.0	190.5	222.5	285.1	889.1	228.3	1,074.7	1,270.0	1,470.6
<i>RM Cost to Sales (%)</i>	<i>62.9</i>	<i>67.7</i>	<i>65.2</i>	<i>63.7</i>	<i>63.0</i>	<i>58.9</i>	<i>61.2</i>	<i>61.5</i>	<i>61.2</i>	<i>60.0</i>	<i>61.0</i>	<i>61.0</i>	<i>61.0</i>
Employee Cost	79.5	89.2	93.4	119.0	31.7	37.0	38.5	39.8	147.0	40.5	171.4	201.6	234.9
<i>Employee Cost to Sales (%)</i>	<i>13.8</i>	<i>10.7</i>	<i>8.3</i>	<i>9.2</i>	<i>10.4</i>	<i>11.4</i>	<i>10.6</i>	<i>8.6</i>	<i>10.1</i>	<i>10.6</i>	<i>9.7</i>	<i>9.7</i>	<i>9.7</i>
Other Expenses	120.9	146.5	192.9	230.7	53.7	70.6	67.5	89.8	281.5	80.3	323.3	379.1	435.6
<i>Other Expenses to Sales (%)</i>	<i>21.0</i>	<i>17.5</i>	<i>17.2</i>	<i>17.8</i>	<i>17.7</i>	<i>21.8</i>	<i>18.6</i>	<i>19.4</i>	<i>19.4</i>	<i>21.1</i>	<i>18.4</i>	<i>18.2</i>	<i>18.1</i>
EBITDA	13.3	34.4	105.1	119.9	27.1	25.2	35.1	48.8	136.2	31.4	192.5	231.3	269.6
<i>EBITDA Margin (%)</i>	<i>2.3</i>	<i>4.1</i>	<i>9.4</i>	<i>9.3</i>	<i>8.9</i>	<i>7.8</i>	<i>9.7</i>	<i>10.5</i>	<i>9.4</i>	<i>8.3</i>	<i>10.9</i>	<i>11.1</i>	<i>11.2</i>
PAT	6.4	17.1	81.5	86.3	20.3	20.7	28.2	38.7	107.8	28.4	147.2	174.5	204.6
<i>PAT Margin (%)</i>	<i>1.1</i>	<i>2.1</i>	<i>7.2</i>	<i>6.7</i>	<i>6.7</i>	<i>6.4</i>	<i>7.8</i>	<i>8.3</i>	<i>7.4</i>	<i>7.5</i>	<i>8.4</i>	<i>8.4</i>	<i>8.5</i>
Net Profit	6.4	17.1	81.5	86.3	20.3	20.7	28.2	38.7	107.8	28.0	147.2	174.5	204.6
<i>Net Margin (%)</i>	<i>1.1</i>	<i>2.1</i>	<i>7.2</i>	<i>6.7</i>	<i>6.7</i>	<i>6.4</i>	<i>7.8</i>	<i>8.3</i>	<i>7.4</i>	<i>7.4</i>	<i>8.4</i>	<i>8.4</i>	<i>8.5</i>
Adjusted EPS	3.9	10.3	49.0	58.7					68.5	16.8	88.5	104.9	122.9
<i>P/E (X)</i>	<i>537.7</i>	<i>202.0</i>	<i>42.5</i>	<i>35.4</i>					<i>30.4</i>		<i>23.5</i>	<i>19.8</i>	<i>16.9</i>
Adjusted BVPS	180.1	191.3	240.0	267.2					451.6		531.2	625.6	736.2
<i>P/BV (X)</i>	<i>11.6</i>	<i>10.9</i>	<i>8.7</i>	<i>7.8</i>					<i>4.6</i>		<i>3.9</i>	<i>3.3</i>	<i>2.8</i>
Enterprise Value	3,396.1	3,372.7	3,353.3	3,333.6					3,274.5		3,281.4	3,269.7	3,175.6
<i>EV/EBITDA (X)</i>	<i>254.4</i>	<i>98.1</i>	<i>31.9</i>	<i>27.8</i>					<i>24.0</i>		<i>17.0</i>	<i>14.1</i>	<i>11.8</i>
Net Worth	299.7	318.3	399.3	444.6					751.4		883.9	1,041.0	1,225.1
<i>Return on Equity (%)</i>	<i>2.1</i>	<i>5.4</i>	<i>20.4</i>	<i>19.4</i>					<i>14.3</i>		<i>16.7</i>	<i>16.8</i>	<i>16.7</i>
Capital Employed	301.6	321.7	410.7	454.8					768.6		901.1	1,058.2	1,242.3
<i>Return on Capital Employed (%)</i>	<i>1.3</i>	<i>5.3</i>	<i>17.8</i>	<i>18.3</i>					<i>12.2</i>		<i>14.6</i>	<i>14.8</i>	<i>14.8</i>
Invested Capital	234.6	229.9	291.5	317.1					564.8		704.2	849.5	939.5
<i>Return on Invested Capital (%)</i>	<i>2.0</i>	<i>9.8</i>	<i>33.6</i>	<i>35.3</i>					<i>22.0</i>		<i>24.9</i>	<i>24.6</i>	<i>26.2</i>
Cash Flow from Operations	38.8	26.2	31.3	81.5					53.0		88.5	117.9	147.3
Cash Flow from Investing	(35.0)	9.1	(19.0)	(32.8)					(223.0)		(102.8)	(112.1)	(56.8)
Cash Flow from Financing	(3.5)	(0.1)	6.3	(45.8)					192.0		(18.1)	(20.5)	(23.5)
Net Cash Flow	0.4	35.1	18.6	2.9					22.0		(32.3)	(14.8)	66.9
Free Cash Flow	37.8	31.4	23.3	63.4					(11.2)		8.2	40.1	125.5
<i>FCF to Revenue (%)</i>	<i>6.6</i>	<i>3.8</i>	<i>2.1</i>	<i>4.9</i>					<i>(0.8)</i>		<i>0.5</i>	<i>1.9</i>	<i>5.2</i>
<i>FCF to EBITDA (%)</i>	<i>283.3</i>	<i>91.2</i>	<i>22.2</i>	<i>52.9</i>					<i>(8.2)</i>		<i>4.3</i>	<i>17.4</i>	<i>46.5</i>
<i>FCF to Net Profit (%)</i>	<i>587.5</i>	<i>183.0</i>	<i>28.6</i>	<i>73.5</i>					<i>(10.4)</i>		<i>5.6</i>	<i>23.0</i>	<i>61.3</i>
<i>FCF to Net Worth (%)</i>	<i>12.6</i>	<i>9.9</i>	<i>5.8</i>	<i>14.3</i>					<i>(1.5)</i>		<i>0.9</i>	<i>3.9</i>	<i>10.2</i>
Total Debt	2	3	11	10					17		17	17	17
Net Debt	-65	-88	(108)	(127)					(187)		(180)	(191)	(286)
<i>Net Debt to Equity (X)</i>	<i>(0.2)</i>	<i>(0.3)</i>	<i>(0.3)</i>	<i>(0.3)</i>					<i>(0.2)</i>		<i>(0.2)</i>	<i>(0.2)</i>	<i>(0.2)</i>
<i>Net Debt to EBITDA (X)</i>	<i>(4.9)</i>	<i>(2.6)</i>	<i>(1.0)</i>	<i>(1.1)</i>					<i>(1.4)</i>		<i>(0.9)</i>	<i>(0.8)</i>	<i>(1.1)</i>
<i>Interest Coverage Ratio (X)</i>	<i>0.9</i>	<i>2.6</i>	<i>14.1</i>	<i>12.4</i>					<i>51.2</i>		<i>57.5</i>	<i>68.6</i>	<i>80.7</i>
Fundamental scores													
Altman Z Score	1.5	2.0	2.6	2.6					2.1		2.2	2.2	2.2
Piotroski F-score	5.0	7.0	6.0	5.0					4.0		5.0	4.0	5.0
Beneish M-score	(2.3)	(2.2)	(1.4)	(2.3)					(2.1)		(1.8)	(1.9)	(2.1)

*Total share outstanding has been taken as an average of year end and previous year end number.

Source: ACE Equity, Company Reports & Ventura Research

Interarch's consolidated financials & projections

Fig in INR Cr (unless specified)	FY24	FY25	FY26E	FY27E	FY28E	Fig in INR Cr (unless specified)	FY24	FY25	FY26E	FY27E	FY28E
Income Statement						Per share data & Yields					
Revenue	1,293.3	1,453.8	1,761.9	2,082.0	2,410.8	Adjusted EPS (INR)	58.7	68.5	88.5	104.9	122.9
YoY Growth (%)	15.1	12.4	21.2	18.2	15.8	Adjusted Cash EPS (INR)	56.6	71.9	98.7	118.1	137.1
Raw Material Cost	823.8	889.1	1,074.7	1,270.0	1,470.6	Adjusted BVPS (INR)	267.2	451.6	531.2	625.6	736.2
RM Cost to Sales (%)	63.7	61.2	61.0	61.0	61.0	Adjusted CFO per share (INR)	49.0	30.8	53.2	70.8	88.5
Employee Cost	119.0	147.0	171.4	201.6	234.9	CFO Yield (%)	2.4	1.5	2.6	3.4	4.3
Employee Cost to Sales (%)	9.2	10.1	9.7	9.7	9.7	Adjusted FCF per share (INR)	38.1	(6.7)	4.9	24.1	75.4
Other Expenses	230.7	281.5	323.3	379.1	435.6	FCF Yield (%)	1.8	(0.3)	0.2	1.2	3.6
Other Exp to Sales (%)	17.8	19.4	18.4	18.2	18.1	Solvency Ratio (X)					
EBITDA	119.9	136.2	192.5	231.3	269.6	Total Debt to Equity	0.0	0.0	0.0	0.0	0.0
Margin (%)	9.3	9.4	10.9	11.1	11.2	Net Debt to Equity	0.0	0.0	0.0	0.0	0.0
YoY Growth (%)	14.0	13.7	41.3	20.2	16.6	Net Debt to EBITDA	0.1	0.1	0.1	0.1	0.1
Depreciation & Amortization	8.0	11.8	17.0	22.0	23.5	Return Ratios (%)					
EBIT	111.9	124.5	175.5	209.3	246.1	Return on Equity	19.4	14.3	16.7	16.8	16.7
Margin (%)	8.7	8.6	10.0	10.1	10.2	Return on Capital Employed	18.3	12.2	14.6	14.8	14.8
YoY Growth (%)	14.4	11.2	41.0	19.3	17.6	Return on Invested Capital	35.3	22.0	24.9	24.6	26.2
Other Income	13.0	20.6	24.3	26.9	30.3	Working Capital Ratios					
Bill discounting & other charges	9.0	2.4	3.1	3.1	3.1	Payable Days (Nos)	38	30	30	30	30
Fin Charges Coverage (X)	12.4	51.2	57.5	68.6	80.7	Inventory Days (Nos)	41	42	42	42	42
Exceptional Item	0.0	0.0	0.0	0.0	0.0	Receivable Days (Nos)	48	53	53	53	53
PBT	115.9	142.7	196.7	233.2	273.4	Net Working Capital Days (Nos)	52	64	64	64	64
Margin (%)	9.0	9.8	11.2	11.2	11.3	Net Working Capital to Sales (%)	14.2	17.6	17.6	17.6	17.6
YoY Growth (%)	6.4	23.1	37.9	18.5	17.2	Valuation (X)					
Tax Expense	29.6	34.9	49.5	58.7	68.8	P/E	35.4	30.4	23.5	19.8	16.9
Tax Rate (%)	25.6	24.4	25.2	25.2	25.2	P/BV	7.8	4.6	3.9	3.3	2.8
PAT	86.3	107.8	147.2	174.5	204.6	EV/EBITDA	28.5	24.7	17.5	14.5	12.1
Margin (%)	6.7	7.4	8.4	8.4	8.5	EV/Sales	2.7	2.3	1.9	1.6	1.4
YoY Growth (%)	5.9	25.0	36.6	18.5	17.2	Cash Flow Statement					
Min Int/Sh of Assoc	0.0	0.0	0.0	0.0	0.0	PBT	115.9	142.7	196.7	233.2	273.4
Net Profit	86.3	107.8	147.2	174.5	204.6	Adjustments	(12.7)	5.0	(4.5)	(0.3)	0.6
Margin (%)	6.7	7.4	8.4	8.4	8.5	Change in Working Capital	8.0	(61.6)	(54.2)	(56.4)	(57.9)
YoY Growth (%)	5.9	25.0	36.6	18.5	17.2	Less: Tax Paid	(29.6)	(34.9)	(49.5)	(58.7)	(68.8)
Balance Sheet						Cash Flow from Operations	81.5	51.2	88.5	117.9	147.3
Share Capital	14.4	16.6	16.6	16.6	16.6	Net Capital Expenditure	(24.9)	(66.0)	(82.6)	(80.0)	(24.1)
Total Reserves	430.2	734.8	867.3	1,024.3	1,208.4	Change in Investments	(7.9)	(157.0)	(20.2)	(32.1)	(32.7)
Shareholders Fund	444.6	751.4	883.9	1,041.0	1,225.1	Cash Flow from Investing	(32.8)	(223.0)	(102.8)	(112.1)	(56.8)
Long Term Borrowings	0.6	0.3	0.0	0.0	0.0	Change in Borrowings	2.2	7.4	(0.3)	0.0	0.0
Deferred Tax Assets / Liabilities	5.7	7.7	7.7	7.7	7.7	Less: Finance Cost	(9.0)	(2.4)	(3.1)	(3.1)	(3.1)
Other Long Term Liabilities	2.7	2.4	2.8	3.4	3.9	Proceeds from Equity	0.0	187.0	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0	Buyback of Shares	(39.0)	0.0	0.0	0.0	0.0
Long Term Provisions	30.9	0.0	0.0	0.0	0.0	Dividend Paid	0.0	0.0	(14.7)	(17.4)	(20.5)
Total Liabilities	484.6	761.8	894.5	1,052.0	1,236.7	Cash flow from Financing	(45.8)	192.0	(18.1)	(20.5)	(23.5)
Net Block	163.1	149.8	215.5	273.5	274.1	Net Cash Flow	2.9	20.2	(32.3)	(14.8)	66.9
Capital Work in Progress	12.7	13.5	0.0	0.0	0.0	Forex Effect	0.0	0.0	0.0	0.0	0.0
Intangible assets under develop	0.0	0.0	0.0	0.0	0.0	Opening Balance of Cash	58.7	61.6	83.6	51.2	36.4
Non Current Investments	5.4	38.6	46.8	52.4	57.9	Closing Balance of Cash	61.6	83.6	51.2	36.4	103.4
Long Term Loans & Advances	84.4	0.6	0.7	0.8	0.9						
Other Non Current Assets	1.9	152.4	184.7	218.2	252.7						
Net Current Assets	217.2	407.0	446.9	507.1	651.0						
Total Assets	484.6	761.8	894.5	1,052.0	1,236.7						

*Total share outstanding has been taken as an average of year end and previous year end number.

Source: Company Reports & Ventura Research

Rating Methodology

We rate stocks on the 2 years absolute return basis.

Rating	Criteria	Definition
BUY	>= 20%	Target price is equal to or more than 20% of CMP
HOLD	>= 0% to < 20%	Target price is more than CMP but less than 20% of CMP
SELL	<= 0% (negative return)	Target price is less than CMP
NOT RATED	No recommendation	No target

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