

Pick of the Day (Short Term Delivery Call)

Company Name: Interarch Building Solutions Ltd.

NSE Code	INTERARCH
BSE Code	544232
Market Cap (Rs cr)	3,608
Avg. Trading Vol. in lakh (5 days/30 days)	0.2/0.3
Avg. Delivery Vol. in lakh (5 days/30 days)	0.1/0.1
Promoter Holding (%)	59.9
Pledge (%)	-

CMP (Rs)	2,120.0
Accumulation Range (Rs)	2,100 – 2,140
Target (Rs)	2,332.0
Upside Potential (%)	10.0%
Duration	6-12 Months

Source: ACE Equity, SSL Research

Interarch Building Solutions Ltd. is one of the leading turnkey pre-engineered steel construction solution providers in India with integrated facilities for design and engineering, manufacturing, and on-site project management capabilities for the installation and erection of pre-engineered steel buildings.

Investment rationale:

PEB product offering: (a) Pre-engineered steel building (PEB) contracts: The company provides complete PEBs on a turnkey basis to the customers, and as a part of which the company also provides on-site project management installation and erection of PEBs at customers' sites (b) **Sales of pre-engineered steel building materials (PEB Sales):** It includes (i) Sale of metal ceilings & corrugated roofing, metal roofing & cladding systems and permanent/metal decking (lost shuttering) over steel framing, (ii) Supply of PEB steel structures includes primary and secondary framing systems, as well as complete PEBs. These PEBs are for non-industrial use, such as farmhouses and residential buildings, and are meant for erection and installation by third-party builders/erectors. (iii) Light gauge framing systems (LGFS) which are composite PEB structures.

Robust manufacturing facility and order book: The company primarily manufactures products in-house at its five manufacturing facilities with a total combined capacity of 1,61,000 MTPA. The company's total capacity is expected to exceed ~2,00,000 MTPA with AP Phase 2 to be commissioned by the end of Sep'25. As of Jul'25, the company's order book stood at Rs 1,695 cr.

Industry Overview: The PEB market in India is expected to grow at a CAGR of 11%-12% from Rs 195 bn to Rs 330 - 340 bn between FY24 and FY29E, driven by growth in industrial, infrastructure and building sectors. The industrial sector is prominent in the PEB market, with high usage in automobile, cement, and oil & gas industries. Infrastructure growth is attributed to increased adoption of PEBs in warehouses, cold storage facilities, data centers, power plants, aircraft hangars, and railway yards. The building sector growth is due to the increasing use of pre-engineered steel buildings. This acts as a strong growth prospect for the PEB market.

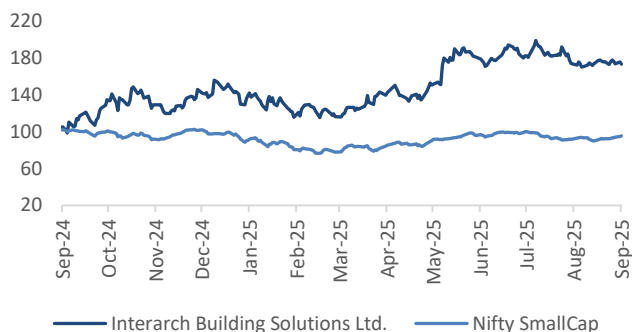
FY26 guidance: For FY26, the company has maintained its revenue growth guidance of 17.5% YoY. However, it sees further potential upside depending on monsoon conditions and execution. Margins are expected to improve with higher turnover, driven by operational leverage and internal efficiencies in procurement, productivity and wastage control.

Short Term Call

Attractive valuation: At CMP of Rs. 2,120, the stock trades at a P/E multiple of 27.6x/21.3x to its FY26E/27E Bloomberg consensus estimates.

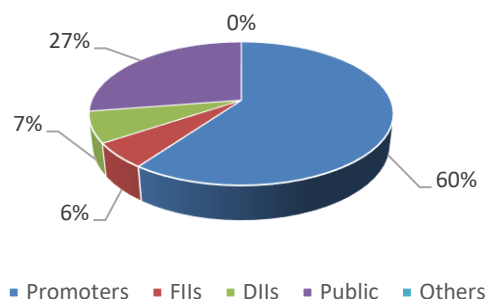
Key Risks: Lower spending on infrastructure by the government; An increase in raw material prices; Cancellation of any orders.

Stock Performance



Source: BSE, SSL Research

Shareholding Pattern (Jun'25)



Source: BSE, SSL Research

Why Now?

Sr. No.	Parameters	Score
1	Recent financial performance (management guidance, return and margin profile, growth and cash flow)	✓
2	Overall corporate governance (Promoter pledge, credit rating, audit qualified opinion etc)	✓
3	Recent stock price movement-worst is over for stock, all negatives in the price (valuation, 52W H/L, below average PE etc)	↔
4	Beneficiary of recent macro and industrial developments (Regulatory, Fiscal/Monetary policy, favourable industrial outlooks etc)	✓



- Neutral



- Positive



- Negative

Duration of recommendation: Short to Medium term

* Please refer to our call guide mentioned below.

Recommendation History

Date	Stock Price	Target Price	Recommendation	Status
05 th Dec 2024	1,557.5	1,713.0	Buy	Closed at Rs 1,760

Call Guide:

The above recommendation is meant for short term investment purpose with holding period between 180-365 days and target upside upto 10% (+/- 0.5%). The recommended price is previous day's closing NSE price (except the stock only listed on BSE). In case of gap-up opening the call is termed "Not Entered" only if stock price does not come within +1% of previous close price on the day of call; partial profit is generally not advised; Call can be rationalized (changed) by Fundamental team at their discretion; generally to average or exit at loss (cut-loss strategy).

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Short Term Call

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