



Aarvi Encon Limited

COMPANY BACKGROUND.....

- Incorporated in 1987, Aarvi Encon is India's leading engineering services company, which specializes in providing expert engineering solutions across multiple business segments.
- Starting from humble beginnings it is now one of the largest Technical staffing solutions company with more than 5,000 engineers on payroll and working at the client location.
- The company offers end to end solutions for its clients, from basic engineering to services across disciplines such as Piping, Mechanical, Process, Civil, Electrical, Instrumentation, Electronics, Telecommunication and Information Technology and also various project services like Project Management, Construction Supervision, CAD, Inspection Services, Procurement Assistance, Expediting, Commissioning, Operation and Maintenance.

BUSINESS MIX (As on H1 FY25).....

- **Manpower Outsourcing (83%):** Aarvi provides manpower deputation since 1996 & has completed large requirements of engineers and technicians all over the world. Aarvi has a Technical Manpower of about more than 5,000 qualified and experienced engineers in various fields like project management, construction, planning, safety, procurement, inspection, testing and commissioning.
- **Operations and Maintenance (17%):** Aarvi Encon is the leading company in India for providing O&M Services & Solutions. The company takes care of all the required tools and tackles for the project and total technical manpower required for the smooth working of the processing unit. It also maintains necessary inventory for the consumables and also keeps track of the spares.

KEY STRENGTHS.....

- Strong clientele across the Globe
- World class Engineering & Operational Standards
- Management expertise of more than 30 years
- End to End Solution providers to renowned Industrial Clients
- Positioned as Best Engineering Recruitment Agency to Manpower Outsourcing Services across diversified sectors
- Asset Light Model
- Government Statutory Compliant

FINANCIAL HIGHLIGHTS.....

(INR Mn)	Op. Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY22	2,885	127	4.40%	121	4.19%	8.16
FY23	4,365	183	4.19%	145	3.32%	9.79
FY24	4,061	126	3.10%	113	2.78%	7.61
H1 FY25	2,343	54	2.30%	47	2.01%	3.17

Key Data

BSE Code	NA
NSE Code	AARVI
Reuters	AARI.NS
Bloomberg	AARVI:IN

Market Data (INR) As on 30TH September, 2024

Face Value	10.00
CMP	139.45
52 Week H/L	184.25/112.95
MCAP (Mn)	2061.63
Shares O/S (Mn)	14.78
1 Yr Avg. Vol. ('000)	42.36

Performance As on 30TH September, 2024

	3M	6M	12M
Aarvi	-0.83%	16.55%	10.02%
NIFTY 50	7.58%	14.94%	31.54%
NIFTY SmallCAP	6.97%	29.70%	56.41%

Shareholding Pattern As on 30TH June, 2024

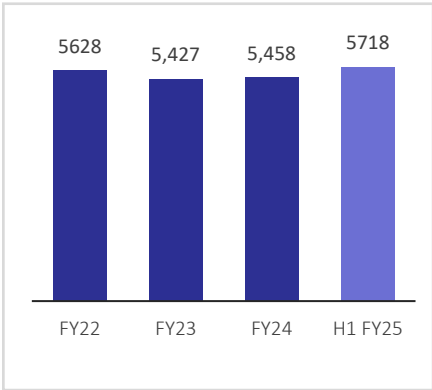
Promoters	73.58%
Public	26.42%

BUSINESS SEGMENTS.....

Manpower Outsourcing – 83.4% :

- Aarvi pioneered the concept of Technical staffing services in India. It started with humble beginning and is now largest Technical staffing company with more than 5,000 engineers on payroll and working at clients location.
- Has accomplished trust and strong reputation from esteemed clients to garner long standing repeat business.
- Aarvi has deployed Technical Manpower in various fields like project management, construction, planning, safety, procurement, inspection, testing and commissioning.
- Aarvi has a large in-house database i.e. more than 800,000 resume data base and a very strong referral program to attract talent from the industry. It’s recruiters are well trained and can identify the candidates meeting the client’s project requirements.

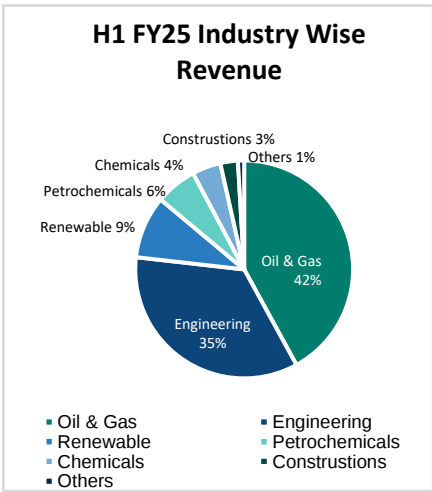
Total Manpower Deputation



Operations and Maintenance – 16.6% :

- Aarvi Encon is the leading O&M company in India for providing O&M Services & Solutions for Solar Energy, Pipeline & Oil & Gas industry. O&M activities, garners a higher margin.
- The company understands the specific requirements and challenges of various industries that it has experience in deploying manpower for and hence has become the preferred partner for O&M services for many of its clients.
- By continuously being updated on the latest technologies being implemented in the Solar Energy, Pipeline & Oil & Gas industry, so that it can successfully identify and hire professionals who have mastered these technologies and have implemented them in their previous projects.
- The Company’s clientele in O&M services include esteemed companies like HPCL, GSPC, Cairn, GSPL among others.

H1 FY25 Industry Wise Revenue



GROWTH DRIVERS.....

- Increase the wallet share of business from existing clients by supplying additional manpower and identifying cross-selling and up-selling opportunities
- Digitalisation of various processes to have contactless operations management
- Venture into new industry verticals like Automobile, Marine, Airports, Ports, Defense, Healthcare
- Provide manpower services to new clients in existing verticals
- Constant efforts on better talent Acquisition to attract and retain talented professionals
- Diversifying expertise and service offering across the engineering value chain
- Dedicated international sales team focusing on international deputation of manpower to develop a stronger international presence
- Constant focus on meeting quality standards and compliance
- Improving efficiencies by enhancing domain knowledge and achieving operational excellence

PEER COMPARISON (TRAILING 12 MONTHS) INR MN.....

Company (INR Mn)	Op. Income	EBITDA	EBITDA%	PAT	PAT%	Market Cap
Aarvi Encon	4,351	117	2.70%	104	2.39%	2,062
ANI Integrated Services	2,086	127	5.96%	77	3.68%	1,971
Teamlease Services	99,541	1,320	1.33%	1,035	1.04%	52,168
Qess Corp	1,99,341	7,357	3.69%	2,668	1.34%	1,15,133

INCOME STATEMENT (CONSOLIDATED)

Particulars (INR Mn)	FY22	FY23	FY24	H1 FY25
Operating Income	2,885	4,365	4,061	2,343
Total Expenses	2,758	4,182	3,935	2,289
EBITDA	127	183	126	54
EBITDA Margins (%)	4.40%	4.19%	3.10%	2.30%
Depreciation	10	12	13	6
Interest	7	18	15	15
Other Income	12	13	23	15
Exceptional Items	-	9	-	-
PBT	122	157	121	48
Tax	1	12	8	1
Profit After tax	121	145	113	47
PAT Margins (%)	4.19%	3.32%	2.78%	2.01%
Other Comprehensive Income	5	11	0	-
Total Comprehensive Income	126	156	113	47
Diluted EPS (INR)	8.16	9.79	7.61	3.17

BALANCE SHEET (CONSOLIDATED)

Particulars (INR Mn)	FY22	FY23	FY24	H1 FY25	Particulars (INR Mn)	FY22	FY23	FY24	H1 FY25
EQUITY AND LIABILITIES					ASSETS				
Equity					Non-Current Assets				
Share Capital	148	148	148	148	(A) Property, Plant & Equipment	98	96	90	176
Other Equity	799	933	1,019	1,042	(B) Goodwill on Consolidation	2	2	3	3
Total Equity	947	1,081	1,167	1,190	(C) Other Intangible Assets	1	3	4	3
Non Current Liabilities					(D) Intangible Asset Under Development	-	-	-	-
(A) Financial Liabilities					(E) Financial Assets				
(i) Borrowings	-	-	-	47	(i) Loans and Advances	24	23	24	26
(ii) Others	16	4	15	15	(ii) Others	183	145	155	150
(B) Deferred Tax Liabilities (net)	3	4	3	2	(F) Deferred Tax Asset	2	2	1	1
Other Non Current-Liabilities	-	-	-		(G) Other Non-Current Assets	137	180	88	131
Non-Current Liabilities	19	8	18	64	Non-Current Assets	447	451	365	490
Current Liabilities					Current Assets				
(A) Financial Liabilities					(A) Financial Assets				
(i) Borrowings	65	34	97	290	(i) Investments	3	4	4	4
(ii) Lease Liability	-	-	-		(ii) Trade Receivables	810	950	830	770
(iii) Trade Payables	102	102	80	106	(iii) Cash and Cash Equivalents	51	44	107	59
(iv) Others	245	212	237	249	(iv) Others Bank Balances	22	23	126	151
(B) Other Current Liabilities	112	146	107	64	(v) Loans and Advances	4	8	19	20
(C) Provisions	0	1	4	4	(vi) Others	135	80	226	440
Current Liabilities	524	495	525	713	(B) Other Current Assets	18	24	33	33
Sub-Total Liabilities	543	503	543	777	Current Assets	1,043	1,133	1,345	1,477
TOTAL EQUITY AND LIABILITIES	1,490	1,584	1,710	1,967	TOTAL ASSETS	1,490	1,584	1,710	1,967

Name	Designation	Email	Phone
Anuj Sonpal	CEO	anuj@valoremadvisors.com	+91-22-4903-9500
Sumeet Singhania	VP	sumeet@valoremadvisors.com	+91-22-4903-9505
Purvangi Jain	AVP	purvangi@valoremadvisors.com	+91-22-4903-9536
Nupur Jainkunia	AVP	nupurj@valoremadvisors.com	+91-22-4903-9536

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