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 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%	7.65
FY25	5,104	134	2.63%	100	1.96%	6.73

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

Market Data (INR) As on 31st March, 2025	
Face Value	10.00
CMP	102.12
52 Week H/L	184.25/96.00
MCAP (Mn)	1,512.47
Shares O/S (Mn)	14.81
1 Yr Avg. Vol. ('000)	35.27

Performance
As on 31st March, 2025

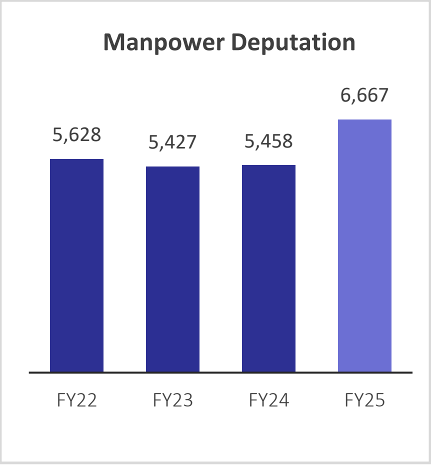
	3M	6M	12M
Aarvi	-24.25%	-26.53%	-14.65%
NIFTY 50	-0.50%	-8.80%	4.74%
NIFTY SmallCAP	-14.93%	-18.11%	4.47%

Shareholding Pattern As on 31st March, 2025	
Promoters	73.47%
Public	26.53%

BUSINESS SEGMENTS……………………………………………………………………

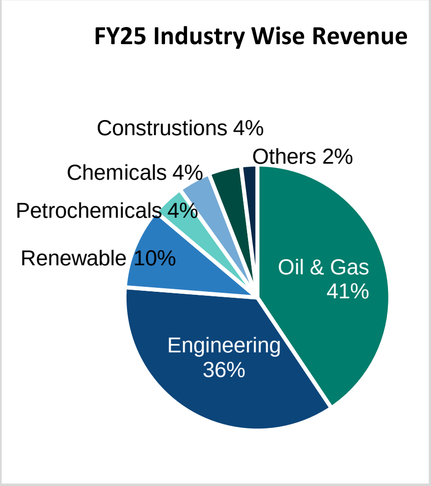
Manpower Outsourcing – 83% :

- 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.



Operations and Maintenance – 17% :

- 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.



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	5,104	134	2.63%	100	1.96%	1,512
ANI Integrated Services	2,275	140	6.17%	90	3.96%	1,056
Teamlease Services	1,11,559	1,381	1.24%	1,105	0.99%	30,363
Quess Corp	1,49,672	2,623	1.75%	459	0.31%	97,035

INCOME STATEMENT (CONSOLIDATED)

Particulars (INR Mn)	FY22	FY23	FY24	FY25
Operating Income	**2,885**	**4,365**	**4,061**	**5,104**
Total Expenses	2,758	4,182	3,935	4,970
EBITDA	**127**	**183**	**126**	**134**
EBITDA Margins (%)	***4.40%***	***4.19%***	***3.10%***	***2.63%***
Depreciation	10	12	13	16
Interest	7	18	15	31
Other Income	12	13	23	25
Exceptional Items	-	9	-	-
PBT	**122**	**157**	**121**	**112**
Tax	1	12	8	12
Profit After tax	**121**	**145**	**113**	**100**
PAT Margins (%)	***4.19%***	***3.32%***	***2.78%***	***1.96%***
Other Comprehensive Income	5	11	-	5
Total Comprehensive Income	**126**	**156**	**113**	**105**
Diluted EPS (INR)	8.16	9.79	7.60	6.73

BALANCE SHEET (CONSOLIDATED)

Particulars (INR Mn)	FY23	FY24	FY25
EQUITY AND LIABILITIES			
Equity			
Share Capital	148	148	148
Other Equity	933	1,019	1,105
Total Equity	**1,081**	**1,167**	**1,253**
Non Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings	-	-	33
(i) Others	4	15	39
(B)Deferred Tax Liabilities (net)	4	3	3
Other Non Current-Liabilities	-	-	1
Sub-Total Non-Current Liabilities	**8**	**18**	**76**
Current Liabilities			
(A) Financial Liabilities			
(i)Borrowings	34	97	235
(iii) Trade Payables	102	80	127
(iv) Others	212	237	292
(B) Other Current Liabilities	146	107	140
(C) Provisions	1	4	7
Sub-Total Current Liabilities	**495**	**525**	**801**
Sub-Total Liabilities	**503**	**543**	**877**
TOTAL EQUITY AND LIABILITIES	**1,584**	**1,710**	**2,130**

Particulars (INR Mn)	FY23	FY24	FY25
ASSETS			
Non-Current Assets			
(A) Property, Plant & Equipment	96	90	172
(B) Goodwill on Consolidation	2	3	3
(C) Other Intangible Assets	3	4	3
(D) Intangible Asset Under Development	-	-	-
(E) Financial Assets			
(i) Loans and Advances	23	24	27
(ii) Others	145	155	203
(F) Deferred Tax Asset	2	1	1
(G) Other Non-Current Assets	180	88	95
Sub-Total Non-Current Assets	**451**	**365**	**504**
Current Assets			
(A) Financial Assets			
(i)Investments	4	4	55
(ii)Trade Receivables	950	830	1,155
(iii)Cash and Cash Equivalents	44	107	67
(iv)Others Bank Balances	23	126	28
(v) Loans and Advances	8	19	21
(vi) Others	80	226	259
(B) Other Current Assets	24	33	41
Sub-Total Current Assets	**1,133**	**1,345**	**1,626**
TOTAL ASSETS	**1,584**	**1,710**	**2,130**

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS ………………………………………………………………………

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