



# 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 FY24).....

- **Manpower Outsourcing (84%):** 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 (16%):** 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
FY21	2,018	96	4.76%	105	5.20%	7.08
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

### Key Data

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

### Market Data (INR) As on 31<sup>th</sup> March, 2024

Face Value	10.00
CMP	119.20
52 Week H/L	183.9/102.1
MCAP (Mn)	1,762.25
Shares O/S (Mn)	14.78
1 Yr Avg. Vol. ('000)	34.77

### Performance As on 31<sup>th</sup> March, 2024

	3M	6M	12M
Aarvi	-25.5%	-6.0%	16.75%
NIFTY 50	2.8%	13.8%	28.1%
NIFTY SmallCAP	-1.7%	-84.4%	70.5%

### Shareholding Pattern As on 31<sup>th</sup> March, 2024

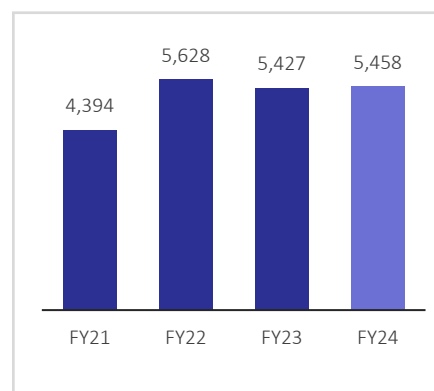
Promoters	73.54%
Public	26.46%

## BUSINESS SEGMENTS.....

### Manpower Outsourcing - 84% :

- 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.

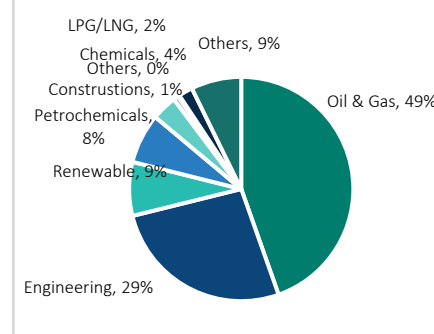
### Manpower Deputation



### Operations and Maintenance - 16% :

- 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.

### FY24 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	4,061	126	3.10%	113	2.78%	1,762
ANI Integrated Services	1,875	97	5.18%	57	3.02%	1516
Teamlease Services	93,215	1,308	1.40%	1,127	1.21%	45,968
Qess Corp	1,91,001	6,935	3.63%	2,804	1.47%	77,425

## INCOME STATEMENT (CONSOLIDATED) .....

Particulars (INR Mn)	FY21	FY22	FY23	FY24
<b>Operating Income</b>	<b>2,018</b>	<b>2,885</b>	<b>4,365</b>	<b>4,061</b>
Total Expenses	1,922	2,758	4,182	3,935
<b>EBITDA</b>	<b>96</b>	<b>127</b>	<b>183</b>	<b>126</b>
<b>EBITDA Margins (%)</b>	<b>4.76%</b>	<b>4.40%</b>	<b>4.19%</b>	<b>3.10%</b>
Depreciation	10	10	12	23
Interest	6	7	18	15
Other Income	23	12	13	23
Exceptional Items	-	-	9	-
<b>PBT</b>	<b>103</b>	<b>122</b>	<b>157</b>	<b>121</b>
Tax	(2)	1	12	8
<b>Profit After tax</b>	<b>105</b>	<b>121</b>	<b>145</b>	<b>113</b>
<b>PAT Margins (%)</b>	<b>5.20%</b>	<b>4.19%</b>	<b>3.32%</b>	<b>2.78%</b>
Other Comprehensive Income	(3)	5	11	0
<b>Total Comprehensive Income</b>	<b>102</b>	<b>126</b>	<b>156</b>	<b>113</b>
Diluted EPS (INR)	7.08	8.16	9.79	7.65

## BALANCE SHEET (CONSOLIDATED) .....

Particulars (INR Mn)	FY21	FY22	FY23	FY24	Particulars (INR Mn)	FY21	FY22	FY23	FY24
<b>EQUITY AND LIABILITIES</b>					<b>ASSETS</b>				
<b>Equity</b>					<b>Non-Current Assets</b>				
Share Capital	148	148	148	148	(A) Property, Plant & Equipment	100	98	96	90
Other Equity	703	799	933	1,019	(B) Goodwill on Consolidation	2	2	2	3
<b>Total Equity</b>	<b>851</b>	<b>947</b>	<b>1,081</b>	<b>1,167</b>	(C) Other Intangible Assets	0	1	3	4
<b>Non Current Liabilities</b>					(D) Intangible Asset Under Development	2	-	-	-
(A) Financial Liabilities					(E) Financial Assets				
(i) Others	13	16	4	15	(i) Loans and Advances	18	24	23	24
(B)Deferred Tax Liabilities (net)	3	3	4	3	(ii) Others	163	183	145	155
Other Non Current-Liabilities	-	-	-	-	(F) Deferred Tax Asset	2	2	2	1
<b>Sub-Total Non-Current Liabilities</b>	<b>16</b>	<b>19</b>	<b>8</b>	<b>18</b>	(G) Other Non-Current Assets	74	137	180	88
<b>Current Liabilities</b>					<b>Sub-Total Non-Current Assets</b>	<b>361</b>	<b>447</b>	<b>451</b>	<b>365</b>
(A) Financial Liabilities					<b>Current Assets</b>				
(i)Borrowings	35	65	34	97	(A) Financial Assets				
(ii) Lease Liability	-	-	-	-	(i)Investments	3	3	4	4
(iii) Trade Payables	54	102	102	80	(ii)Trade Receivables	534	810	950	830
(iv) Others	172	245	212	237	(iii)Cash and Cash Equivalents	164	51	44	107
(B) Other Current Liabilities	74	112	146	107	(iv)Others Bank Balances	41	22	23	126
(C) Provisions	0	0	1	4	(v) Loans and Advances	3	4	8	19
<b>Sub-Total Current Liabilities</b>	<b>335</b>	<b>524</b>	<b>495</b>	<b>525</b>	(vi) Others	78	135	80	226
<b>Sub-Total Liabilities</b>	<b>351</b>	<b>543</b>	<b>503</b>	<b>543</b>	(B) Other Current Assets	18	18	24	33
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,202</b>	<b>1,490</b>	<b>1,584</b>	<b>1,710</b>	<b>Sub-Total Current Assets</b>	<b>841</b>	<b>1,043</b>	<b>1,133</b>	<b>1,345</b>
					<b>TOTAL ASSETS</b>	<b>1,202</b>	<b>1,490</b>	<b>1,584</b>	<b>1,710</b>

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