



**ENVIRO INFRA  
ENGINEERS LTD.**

EMPOWERING GREEN PLANET



# **Enviro Infra Engineers Limited IPO Note**

**Enviro Infra Engineers Ltd.**

Issue Opens On Nov 22, 2024	Issue Closes On Nov 26, 2024	Price Band (INR) 140 - 148	Issue Size (INR Mn) 6,153 – 6,504	Rating SUBSCRIBE
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**Enviro Infra Engineers Limited (EIEL)** is a leading engineering company specializing in the design, construction and maintenance of water and wastewater treatment solutions. Established in 2009 and headquartered in Delhi, the company has carved a niche in addressing critical environmental challenges through its expertise in providing end-to-end solutions for municipal and industrial clients. With a strong emphasis on sustainability and cutting-edge technology, EIEL offers a diverse range of services, including sewage and effluent treatment plants, recycling and reuse systems and zero-liquid discharge (ZLD) solutions. The company's operations span across India, leveraging its advanced capabilities to deliver projects that meet stringent regulatory and environmental standards, while ensuring long-term operational efficiency and resource conservation.

**OFFER STRUCTURE**

Particulars		IPO Details
No. of shares under IPO (Mn)		43.95
Fresh issue (# shares) (Mn)		38.68
Offer for sale (# shares) (Mn)		5.3
Price band (INR)		140 – 148
Post issue MCAP (INR Mn)		24,574 – 25,978

Source: IPO Prospectus

Indicative Timetable	
Offer Closing Date	Tuesday 26 <sup>th</sup> Nov'24
Finalization of Basis of Allotment with Stock Exchange	On or about 27 <sup>th</sup> Nov'24
Initiation of Refunds	On or about 27 <sup>th</sup> Nov' 24
Credit of Equity Shares to Demat accounts	On or about 28 <sup>th</sup> Nov' 24
Commencement of Trading of Eq. shares on NSE	On or about 29 <sup>th</sup> Nov' 24

Source: IPO Prospectus

Objects of the Offer			
1. To meet the Working Capital Requirements			1,810
2. Infusion of funds into EIEL Mathura to build a 60 MLD STP under the 'Mathura Sewerage Scheme' in Mathura, Uttar Pradesh, through Hybrid Annuity Based PPP Mode.			300
3. Repayment/prepayment in full or in part, of certain of outstanding borrowings			1,200
4. Funding inorganic growth through unidentified acquisitions and general corporate purposes			3,194

Shareholding Pattern		Pre-Issue (%)	Post-Issue (%)
Promoters & Promoters Group		94%	70%
Others		6%	30%
<b>Total</b>		<b>100%</b>	<b>100%</b>

Source: IPO Prospectus

Source: IPO Prospectus

Particulars (In INR Mn)	FY22	FY23	FY24
Revenue	2,235	3,381	7,289
EBITDA	500	817	1,693
EBITDA Margin (%)	22%	24%	23%
Profit After Tax	345	553	1,086
PAT Margin (%)	15%	16%	15%
Net Worth	716	1,265	2,922
RONW (%)	48%	43%	38%

Source: IPO Prospectus, DevenChoksey Research

**Enviro Infra Engineers Ltd.****Company Overview****Business:**

Enviro Infra Engineers Limited designs, constructs, operates, and maintains **Water and Wastewater Treatment Plants (WWTPs)** and **Water Supply Scheme Projects (WSSPs)** for government authorities in India. The company has developed 28 WWTPs and WSSPs across India in the past seven years.

**History:**

The Company was incorporated on June 19, 2009, as 'Enviro Infra Engineers Private Limited' in Delhi. Later in 2010, it acquired the business of the partnership firm 'M/s Enviro Engineers'. This marked the beginning of the company's operations in the water and wastewater treatment sector, focusing on government projects based on EPC or HAM models and secured its first major EPC work order, valued at 159.6 INR Mn, to construct a Common Effluent Treatment Plant (CETP) with an 18 MLD capacity in Balotra, Rajasthan.

**Business Segments:**

- WWTPs include **Sewage Treatment Plants (STPs)**, **Sewerage Schemes (SS)** and **Common Effluent Treatment Plants (CETPs)**.
- WSSPs include **Water Treatment Plants (WTPs)**, pumping stations and pipelines for water supply.

**Major Projects Undertaken By The Company**

Source: IPO Prospectus, DevenChoksey Research

**Note - MLD stands for Million Liters per Day. It is a standard unit of measurement used to express the capacity of water and wastewater treatment plants.** In simpler terms, it indicates how many million liters of water a plant can process or treat in a single day.

The company claims it has the technical and financial qualifications to bid for STP projects upto 200 MLD capacity.

**Revenue Bifurcation Over The Years Between Projects And O&M:**

Type of Project	FY22		FY23		FY24	
	INR Mn	% Revenue	INR Mn	% Revenue	INR Mn	% Revenue
WWTPs	2,048	92%	2,338	69%	2,030	28%
WSSPs	-	0%	863	26%	4,967	68%
O&M	187	8%	175	5%	293	4%
<b>TOTAL</b>	<b>2,235</b>	<b>100%</b>	<b>3,381</b>	<b>100%</b>	<b>7,289</b>	<b>100%</b>

Source: IPO Prospectus, DevenChoksey Research

**Note: WWTPs stands for Water and Wastewater Treatment Plants and WSSPs stands for Water Supply Scheme Projects**

**Enviro Infra Engineers Ltd.****Company Overview****Clients:**

The company primarily focuses on government projects, bidding on tenders issued by State Governments and Urban Local Bodies (ULBs). These projects are typically funded through various government schemes, with contributions from both the Central and State Governments.

Revenue – Client wise (INR Mn)	FY22	FY23	FY24
Government	2,227	3,381	7,289
Private	8	-	-
<b>TOTAL</b>	<b>2,235</b>	<b>3,381</b>	<b>7,289</b>

Source: IPO Prospectus, DevenChoksey Research

**Type of Projects :**

Enviro Infra undertakes projects based on **Engineering, Procurement and Construction (EPC)** or **Hybrid Annuity Model (HAM)** contracts.

**EPC :** The company acts as the EPC contractor and is responsible for the design, construction, procurement, installation, testing and commissioning of the project.

The company provides EPC services in two ways:

- **Lumpsum turnkey contracts:** In this type, a set fee is charged regardless of changes in the Bills of Quantity (BOQ), though some contracts include price adjustment clauses for changes in material, labor or other costs. Bids for turnkey projects are often invited with the inclusion of O&M for 1 to 15 years.
- **Item Rate Contracts:** Bidding occurs on a per-unit price for each item in the BOQ. Payment adjustments are made based on unit rates if there are BOQ changes.

(**Note** - A bill of quantities (BOQ) is a document that lists the total quantities of different materials and labor required to complete a construction project. It is used to calculate the total cost of a project and to track the progress of the project. The BOQ is typically prepared by the contractor and is submitted to the client for approval.)

**HAM :** The government and the private developer share the project cost, with the government typically investing 40%. Government investment is released in installments, while the developer recovers its investment through annuity payments over 15 years.

- **HAM contracts** mandate that the winning bidder (the Concessionaire) is responsible for the design, financing, construction, operation and maintenance of the asset for a predetermined period (the Concession Period).
- **The Concessionaire** receives payments from the authority during construction upon achieving milestones and continues to receive annuity payments for the remainder of the concession period. It is also entitled to O&M receipts from the authority for operating and maintaining the asset.
- **Ownership of the asset** is transferred back to the client/authority at the end of the concession period.

O&M projects and HAM models typically yield higher margins, particularly when incorporating innovative technologies such as solar power integration, biogas generation and energy-efficient equipment.

Type of Project	FY22		FY23		FY24	
	INR Mn	% Revenue	INR Mn	% Revenue	INR Mn	% Revenue
EPC	2,048	92%	2,161	64%	6,284	86%
HAM	-	0%	1,045	31%	714	10%
O&M	187	8%	175	5%	293	4%
<b>TOTAL</b>	<b>2,235</b>	<b>100%</b>	<b>3,381</b>	<b>100%</b>	<b>7,289</b>	<b>100%</b>

Source: IPO Prospectus, DevenChoksey Research

**Enviro Infra Engineers Ltd.****Company Overview**

**Presence :** Currently, the company operates in 11 states, catering to various government bodies, with Madhya Pradesh, Uttar Pradesh and Rajasthan contributing the most revenue.



Source: IPO Prospectus, DevenChoksey Research

**Seasonality in the business:**

Seasonality may be attributed to government budget cycles, with project awards and execution surging in the January-March quarter due to year-end fund allocations. Additionally, favorable weather conditions during the dry season in the fourth quarter aid in smoother project execution and revenue recognition.

Quarter	FY22	FY23	FY24
Quarter 1 - Apr - June	14%	17%	22%
Quarter 2 - July - Sept	25%	10%	16%
Quarter 3 - Oct - Dec	23%	21%	21%
Quarter 4 - Jan - Mar	38%	63%	41%
Total	100%	100%	100%

Source: IPO Prospectus, DevenChoksey Research

**Order Book :** The company has O&M order book of 7,500 INR Mn other than Projects Order book shown below.

Current Order Book	WWTP - STP	WWTP - CETP	WWTP - SS	WSSP	Total
No. of Sites	10	1	5	5	21
Capacity (in MLD)	262	25	NA	NA	287
Amount (In INR Mn)	7,876	713	3,610	6,864	19,063

Source: IPO Prospectus, DevenChoksey Research

The company is installing CBG plants in ongoing projects in Jodhpur and Jaipur, Rajasthan, with the CBG either sold to public sector OMCs or used for power generation. 7 out of 21 current projects are designated as "Projects contributing to Sustainable Development" due to integrated solar or CBG plants.

With in-house design, engineering, construction and dedicated operations and maintenance teams, the company remains largely self-reliant while also collaborating with other infrastructure companies and leveraging its subsidiaries for specific projects. 5 out of 21 projects are being executed under JVs and 1 through a subsidiary.

Executed Order Book	WWTP - STP	WWTP - CETP	WWTP - SS	WSSP	Total
No. of Sites	21	5	1	1	28
Capacity (in MLD)	678	50	NA	3	731
Amount (In INR Mn)	9,617	1,244	85	134	11,080

Source: IPO Prospectus, DevenChoksey Research

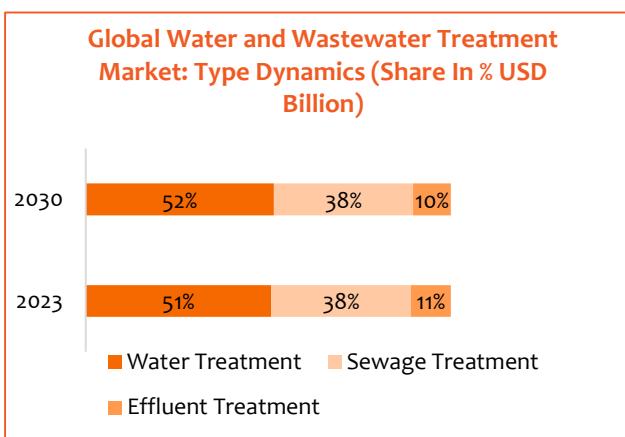
**Historical Bids Success Ratio :**

Particulars	FY22	FY23	FY24
Bids submitted	29	26	24
Less: Cancelled/ Awaited/ Pending Result	5	4	5
Net bids submitted	24	22	19
Awarded	4	9	11
<b>Successful Conversion of Bids (in %)</b>	<b>17%</b>	<b>41%</b>	<b>58%</b>

Source: IPO Prospectus, DevenChoksey Research

**Enviro Infra Engineers Ltd.****Industry Overview****Global Water and Wastewater Treatment Industry:**

- The global water and wastewater treatment market plays a critical role in addressing the growing challenges of water scarcity, pollution, and increasing demand for clean water.
- As of 2024, the market is valued at USD 306.33 Bn and is projected to reach USD 521.97 Bn by 2033, growing at a CAGR of 6.10%.
- This growth is driven by a combination of rising population, rapid industrialization, urbanization and technological advancements in water management.
- By Type, the market is segmented into:
  - Water Treatment
  - Wastewater Treatment

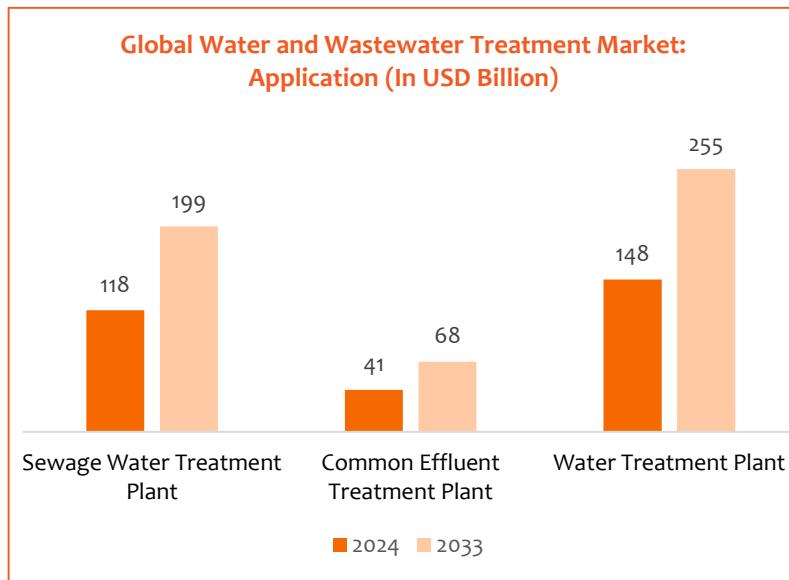


- Water Treatment accounts for the largest share of the market, maintaining over half the total percentage (52% initially, slightly declining to 51%), underscoring its critical role in ensuring clean and safe water for various applications.
- Sewage Treatment maintains a steady 38% share, emphasizing its role in urban and industrial wastewater management, while Effluent Treatment rises from 10% to 11%, driven by stricter regulations and increased focus on industrial waste.

**Global Water and Wastewater Treatment Market Revenue Estimates and Forecasts, By Type, 2019-2033, (USD Billion)**

Type	2019	2022	2023	2024	2027	2030	2033	CAGR% (2024-33)
Water Treatment	116	138	147	156	190	232	285	6.89%
Wastewater Treatment	120	136	143	150	174	203	237	5.22%
<b>Total</b>	<b>236</b>	<b>274</b>	<b>290</b>	<b>306</b>	<b>364</b>	<b>435</b>	<b>522</b>	<b>6.10%</b>

Source: IPO Prospectus, DevenChoksey Research

**Enviro Infra Engineers Ltd.****Industry Overview**

Among the applications segments, the water treatment plant segment is expected to account for a significantly large revenue share and register a CAGR of 6.23% during the forecast period.

**Global Water and Wastewater Treatment Market Revenue Estimates and Forecasts, by Application, 2019-2033, (USD Billion)**

Application	2019	2022	2023	2024	2027	2030	2033	CAGR% (2024-33)
Sewage Water Treatment Plant	91	105	111	118	140	166	199	6.02%
Common Effluent Treatment Plant	32	37	39	41	48	57	68	5.86%
Water Treatment Plant	113	132	140	148	176	211	255	6.23%
<b>Total</b>	<b>236</b>	<b>274</b>	<b>290</b>	<b>306</b>	<b>364</b>	<b>435</b>	<b>522</b>	<b>6.10%</b>

Source: IPO Prospectus, DevenChoksey Research

**Indian Water and Wastewater Treatment Industry:**

- India represents one of the fastest-growing markets for water and wastewater treatment, fueled by its large population, urbanization and industrial development.
- With only 4% of the world's freshwater resources to cater to 16% of the global population, the need for effective water management in India is critical.
- The government's commitment to improving water access and quality through initiatives like the Jal Jeevan Mission (JJM) and the National Mission for Clean Ganga (NMCG) has propelled investments in water infrastructure.

**Enviro Infra Engineers Ltd.****Industry Overview****India Water & Wastewater Treatment Market Revenue Estimates and Forecast:****By Type, 2019-2033 (USD Billion)**

Type	2019	2022	2023	2024	2027	2030	2033	CAGR% (2024-33)
Water Treatment	5	6	7	7	9	11	13	7.01%
Wastewater Treatment	5	6	6	7	8	9	11	5.32%
<b>Total</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>17</b>	<b>20</b>	<b>24</b>	<b>6.20%</b>

Source: IPO Prospectus, DevenChoksey Research

**By Application, 2019-2033 (USD Billion)**

Application	2019	2022	2023	2024	2027	2030	2033	CAGR% (2024-33)
Sewage Water Treatment Plant	4	5	5	5	6	8	9	6.12%
Common Effluent Treatment Plant	1	2	2	2	2	3	3	5.96%
Water Treatment Plant	5	6	6	7	8	10	12	6.33%
<b>Total</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>17</b>	<b>20</b>	<b>24</b>	<b>6.20%</b>

Source: IPO Prospectus, DevenChoksey Research

**By End-use, 2019-2033 (USD Billion)**

End-Use	2019	2022	2023	2024	2027	2030	2033	CAGR% (2024-33)
<b>Municipal</b>	<b>6.93</b>	<b>8.05</b>	<b>8.52</b>	<b>9.01</b>	<b>10.72</b>	<b>12.82</b>	<b>15.41</b>	<b>6.14%</b>
<b>Residential</b>	<b>1.60</b>	<b>1.84</b>	<b>1.95</b>	<b>2.06</b>	<b>2.43</b>	<b>2.89</b>	<b>3.46</b>	<b>5.93%</b>
<b>Industrial</b>	<b>2.12</b>	<b>2.49</b>	<b>2.64</b>	<b>2.81</b>	<b>3.38</b>	<b>4.10</b>	<b>4.99</b>	<b>6.61%</b>
Food & Beverages	0.03	0.03	0.03	0.03	0.04	0.05	0.06	6.89%
Pharmaceuticals and Chemicals	0.44	0.52	0.55	0.59	0.71	0.87	1.07	6.95%
Power Generation	0.35	0.42	0.44	0.47	0.57	0.69	0.85	6.71%
Pulp and Paper	0.37	0.43	0.46	0.49	0.58	0.71	0.86	6.55%
Oil & Gas	0.20	0.24	0.25	0.27	0.32	0.39	0.47	6.51%
Mining	0.37	0.43	0.46	0.49	0.58	0.71	0.86	6.45%
Petrochemical	0.12	0.14	0.15	0.16	0.19	0.23	0.28	6.37%
Semiconductors	0.13	0.16	0.17	0.18	0.22	0.27	0.33	6.86%
Others	0.10	0.12	0.13	0.13	0.16	0.18	0.22	5.50%
<b>Total</b>	<b>10.64</b>	<b>12.38</b>	<b>13.10</b>	<b>13.87</b>	<b>16.53</b>	<b>19.81</b>	<b>23.85</b>	<b>6.20%</b>

Source: IPO Prospectus, DevenChoksey Research

**Enviro Infra Engineers Ltd.****Strengths****In house designing, engineering and execution team:**

- The company specializes in advanced design and engineering for complex projects, including STPs, CETPs, WWTPs and WSSPs, offering solutions tailored to diverse technologies and challenges.
- An in-house team of 180 engineers ensures detailed designs, minimal outsourcing and stringent quality control for efficient, cost-effective project delivery.

**Increasing presence in existing geographies with new projects:**

- Over the past seven years, the company has expanded operations in states like Gujarat, Rajasthan, Punjab, Haryana, Uttar Pradesh, Uttarakhand and Chhattisgarh, building strong relationships with authorities and securing multiple projects.
- Currently executing projects across eight states—Gujarat, Rajasthan, Delhi, Jharkhand, Karnataka, Uttar Pradesh, Chhattisgarh and Madhya Pradesh—the company leverages its expertise and reputation to penetrate new areas within these states for upcoming WWTP and WSSP opportunities.

**Diversified Order Book of projects across India:**

- The company has established expertise in executing WWTPs, including CETPs, STPs and SS, as well as WSSPs, on both EPC and HAM bases, with an Order Book of 21 projects valued at **INR 19,063 Mn**.
- This growth reflects its focus on project execution and successful bidding driven by strong design, engineering, construction and O&M capabilities, alongside a reputation for quality, timely delivery and price competitiveness. Its emphasis on EPC, HAM and O&M components ensures steady cash flows and margin enhancement post-commissioning.

**Order Book as on June 30, 2024**

Nature of Project	Number of Projects	Execution Model
WWTP		
CETP	1	EPC
STP	9	EPC
	1	HAM
SS	5	EPC
WSSP	5	EPC
<b>Total</b>	<b>21</b>	

Source: IPO Prospectus, DevenChoksey Research

**In-house execution capabilities with timely delivery and established track record enabling consistent increase in eligibility for high value project tenders:**

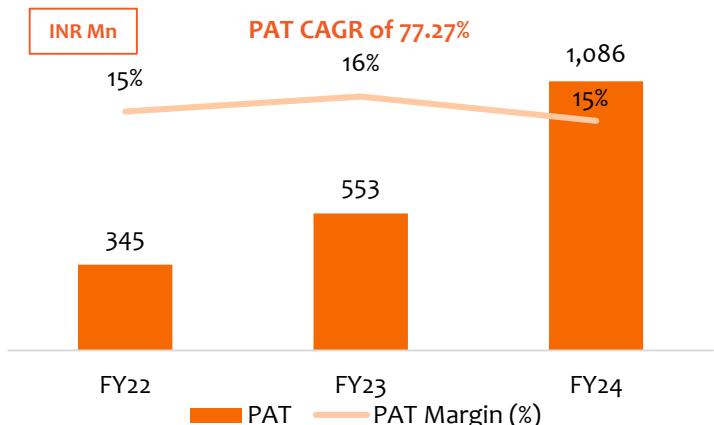
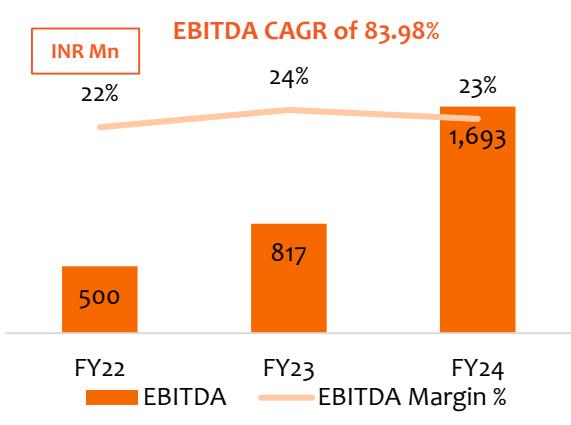
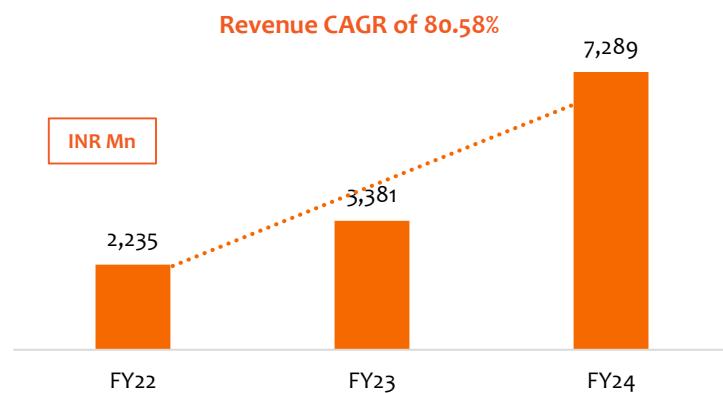
- As of June 30, 2024, the company has successfully developed 28 WWTPs and WSSPs across India over the past seven years, including 22 projects with capacities of 10 MLD and above.
- Its proven track record of timely and efficient project execution is supported by in-house design and engineering capabilities, skilled manpower and a dedicated O&M team.

**Enviro Infra Engineers Ltd.****Strengths**

- The integrated efforts of project management and engineering teams ensure operational efficiency and high-quality construction, driving consistent business growth through the successful delivery of complex projects.

**Use of advanced technologies in the construction and installation of WWTPs or WSSPs:**

- The company addresses resource-intensive and complex project requirements by continuously upgrading its technical capabilities to deliver cost-effective, high-quality solutions.
- For instance, it employs Sequential Batch Reactors (SBR) to meet stringent NGT norms, leveraging features like integrated BNR removal, a compact footprint, and full automation. Recent advancements include High Rate Anaerobic Digestors (HRAD) paired with SBR for low BOD concentrations and MBBR with IFAS to maximize existing infrastructure while minimizing civil works.
- The company also deploys tertiary treatment technologies such as dual media filters, activated carbon filters, UV treatment and ultra-filtration.
- Many STPs and CETPs installed are ZLD compliant, enabling treated water reuse for horticulture, washing, refrigeration or process industries.

**Consistent financial performance:**

Source: IPO Prospectus, DevenChoksey Research

**Enviro Infra Engineers Ltd.****Strategies****Increasing the size of projects and the pre-qualification:**

- The company aims to strengthen its position in executing WWTP and WSSP projects by focusing on designing, construction, and O&M while scaling project capacities to 50–200 MLD for STPs and 20–50 MLD for CETPs.
- With a track record of executing projects ranging from 5–100 MLD for STPs and 3–26 MLD for CETPs, the company targets high-capacity projects for the competitive advantages, including better margins, economies of scale, and efficient resource utilization.
- Leveraging its experience, the company plans to selectively pursue larger projects, independently or through partnerships, to achieve pre-qualification for higher-capacity opportunities and strengthen its design and execution capabilities.

**Expansion of the geographical footprint:**

- Over the past seven years, the company has developed 28 WWTPs and WSSPs across India, including 22 projects with capacities of 10 MLD and above, in states like Gujarat, Rajasthan, Punjab, Haryana, Uttar Pradesh, Uttarakhand and Chhattisgarh.
- Currently, projects are underway in eight states, including Gujarat, Rajasthan, Delhi, Jharkhand, Karnataka, Uttar Pradesh, Chhattisgarh and Madhya Pradesh.
- The company is strategically expanding into East and South India, with recent project awards in Jharkhand and Karnataka and bids submitted in Odisha, West Bengal and Goa.
- This selective geographic diversification aims to mitigate risks, avoid delays from local challenges and protect against fluctuations from regional business concentration.

**Plan to further bid for HAM projects:**

- The company, with its joint venture partners, has secured three HAM projects under the Namami Gange Programme in Uttar Pradesh.
- These include two completed projects in Bareilly (63 MLD, INR 2,337.21 Mn) and Mathura (60 MLD, INR 2,400 Mn) and a new project in Saharanpur (135 MLD) awarded in July 2024.
- SPVs were established for execution, with funding from a mix of offer proceeds and bank loans. The Bareilly project was completed two months ahead of schedule.
- These projects position the company to qualify for larger HAM opportunities requiring advanced funding and expertise.

**New initiatives towards “Waste to Energy” as a part of its projects:**

- The company transforms wastewater into a resource by integrating renewable energy solutions like biogas and solar power.
- Operational solar plants in Kota (1 MW), Bareilly (800 KW), and Bikaner (3 MW) reduce grid dependency, with more installations underway across Rajasthan, Uttar Pradesh and Jharkhand.
- Compressed Bio Gas (CBG) plants in Jodhpur and Jaipur will generate revenue through sales to OMCs or power use.

**Enviro Infra Engineers Ltd.****Strategies**

- With 7 of 21 projects focused on sustainability, the company maximizes energy efficiency, reduces its carbon footprint and qualifies for green development incentives.

**Capitalize on Government policy initiatives in WWTP and WSSP sectors:**

- The company is actively participating in key government initiatives aimed at water supply, wastewater management and river conservation.
- Under the Jal Jeevan Mission's 'Har Ghar Jal' scheme, the focus is on rural water supply, while the Atal Mission for Rejuvenation and Urban Transformation 2.0 strengthens urban sewerage, septage, and water systems.
- The Namami Gange Programme and its second phase target pollution control and rejuvenation of the Ganga and its tributaries, complemented by the National River Conservation Plan and NPCA for biodiversity and ecosystem restoration.
- Additionally, Gujarat's Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana addresses urban water and drainage infrastructure.
- The company is currently executing 5 projects under the Atal Mission, 5 under the Jal Jeevan Mission, 2 under Namami Gange, and 1 under the National Mission for Clean Ganga.

**Risks:**

- The company heavily relies on government-funded WWTPs and WSSPs, making it sensitive to allocation changes.
- The company secures projects through competitive government bidding, and failure to qualify or win future bids could negatively impact its business and operations.
- The company relies on in-house teams for execution, with employee turnover and delayed provident fund and insurance payments posing potential risks.
- The company's working capital-intensive nature makes it vulnerable to cash flow shortages, potentially impacting operations.
- The Order Book reflects potential revenue but may not match actual income, posing operational risks.
- Failure to capitalize on government policy initiatives in the water and wastewater treatment market.

**Enviro Infra Engineers Ltd.****Outlook & Valuation:**

Enviro Infra Engineers Ltd. (EIEL), established in 2009, specializes in water and wastewater treatment projects, leveraging its in-house capabilities to execute large-scale initiatives under EPC and HAM models. With a diversified INR 19,063 Mn order book and a focus on renewable solutions like solar and biogas, EIEL is well-positioned in India's growing water infrastructure market, supported by initiatives like Jal Jeevan Mission and Namami Gange. As the global water treatment market grows at a 6.10% CAGR, EIEL's operational efficiency, sustainable practices and alignment with industry dynamics offer attractive growth potential. The company has reported Revenue CAGR of 80.58% and PAT CAGR of 77.27% from FY22-24. The company has ROE and ROCE of 51.68% and 32.34%, respectively for FY24. The company is valued at an EV/EBITDA of ~16x and a P/E of ~24x and offers an attractive valuation compared to its peers. Considering its robust project pipeline, consistent financial performance and margin-enhancing O&M contracts, we assign a **"SUBSCRIBE"** rating.

**Peer Comparison:**

Particulars ( INR Mn)	Enviro Infra Engineers Limited	EMS Limited	ION Exchange Limited	Va Tech Wabag Limited	Vishnu Prakash R Punglia Limited
Market cap	25,978	41,320	93,177	1,05,276	33,678
Revenue from operations	7,289	7,933	23,479	28,564	14,739
EBITDA	1,693	2,038	2,735	3,768	2,090
EBITDA Margin (%)	23.23%	25.70%	11.65%	13.19%	14.24%
PAT	1,105	1,524	1,947	2,456	1,222
PAT Margin (%)	15.17%	16.56%	7.78%	8.60%	8.29%
Net Worth	29,218	79,813	1,01,791	1,81,865	72,106
Return on Net Worth (%)	37.83%	19.09%	19.23%	13.50%	16.95%
EPS	6.19*	29.28	16.53	39.49	10.95
P/E ratio	23.9	24.1	43.3	40.6	27.6
EV/EBITDA	16.3	16.7	26	24.1	16.8

\*Adj EPS

Source: IPO Prospectus, Deven Choksey Research

**Enviro Infra Engineers Ltd.****Financials:**

Income Statement (INR Mn)		FY22	FY23	FY24
Revenue	2,235	3,381	7,289	
Operating Expenditure	1,735	2,564	5,596	
EBITDA	500	817	1,693	
EBITDA Margin %	22%	24%	23%	
Other Income	21	36	91	
Depreciation	17	23	61	
Interest	43	84	225	
Tax	115	192	412	
PAT	345	553	1,086	
PAT Margin (%)	15%	16%	15%	
Adjusted EPS	6.19	3.15	1.97	

Cash Flow (INR Mn)	FY22	FY23	FY24
CFFO	416	1,011	-690
CFI	-260	-1,410	-1,393
CFF	-157	421	2,068
Net Increase/(Decrease) in Cash	-1	21	-15
Cash at beginning	4	2	24
Cash at end	2	24	9

Balance sheet (INR Mn)	FY22	FY23	FY24
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	102	183	469
Financial Assets	230	955	1,499
Other non-current assets	8	14	33
<b>Current Assets</b>			
Inventories	84	98	353
Trade receivables	395	565	1,041
Financial Assets	585	1,470	3,828
Other current assets	79	190	389
<b>Total Assets</b>	<b>1,483</b>	<b>3,476</b>	<b>7,612</b>
<b>Equity &amp; Liabilities</b>			
Equity share capital	24	256	1,369
Other equity	692	1,009	1,553
<b>Equity attributable to owners of the Company</b>	<b>716</b>	<b>1,265</b>	<b>2,922</b>
Non Controlling Interest	0.114	3.72	-15.89
<b>Total Equity</b>	<b>716</b>	<b>1,269</b>	<b>2,906</b>
<b>Non-Current Liabilities</b>			
Borrowings	18	438	901
Other non-current liabilities	65	167	155
<b>Current Liabilities</b>			
Borrowings	163	207	1,435
Trade payables	354	975	1,630
Other current liabilities	167	420	584
<b>Total Equity and Liabilities</b>	<b>1,483</b>	<b>3,476</b>	<b>7,612</b>

Source: IPO Prospectus, Deven Choksey Research

**Enviro Infra Engineers Ltd.****ANALYST CERTIFICATION:**

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