



## IPO Note

# Enviro Infra Engineers Limited

Recommendation: **APPLY!**

### Company Background -

- **Incorporation:** Enviro Infra Engineers Limited was originally incorporated on June 19, 2009. The registered office is located at New Delhi, India.
- **Business Activity:** The company is engaged in the business of designing, construction, operation and maintenance of Water and Wastewater Treatment Plants (WWTPs) and Water Supply Scheme Projects (WSSPs) for government authorities/bodies.
- **Revenue Stream:** The major revenue stream for the company is from WWTP and WSSP contracts.
- **Human Resource:** The company had 939 full-time employees as of June 30, 2024.

### Objects of the Issue -

- To meet the Working Capital Requirements
- Infusion of funds in their Subsidiary, EIEL Mathura Infra Engineers Private Limited ("EIEL Mathura") to build 60 MLD STP under project titled 'Mathura Sewerage Scheme' at Mathura in Uttar Pradesh through Hybrid Annuity Based PPP Mode.
- Repayment/prepayment in full or in part, of certain of outstanding borrowings
- Funding inorganic growth through unidentified acquisitions and general corporate purposes

### Promoters Name -

Sanjay Jain, Manish Jain, Ritu Jain and Shachi Jain

### Rationale for recommendation -

- ✓ The PE ratio is 16.72 times post issue makes it fairly priced.
- ✓ The top line, bottom line and profitability margins have increased over the years.
- ✓ The RoCE and RoE are better compared to its peers.
- ✓ The company has strong order book of Rs. 1,906.28 Cr.
- ✓ The company has good experience in the industry.
- ✓ The management overview is satisfactory.

### IPO Details

Opening Date	Nov 22, 2024
Closing Date	Nov 26, 2024
Allotment Date	Nov 27, 2024
Listing Date	Nov 29, 2024
Stock Exchange	BSE, NSE
Lot Size	101 Shares
Issue Price Per Share	₹140 to ₹148
Issue Size	650.43 Cr.
Fresh Issue	572.46 Cr.
Offer for Sale	77.97 Cr.
Application Amt	₹ 14,948 – ₹ 1,94,324 (101 to 1,313 shares)

### INDUSTRY - EPC - Water Treatment Plant

Avg. PE ratio as per RHP - 33.45

	KPIs (In Crores)			
KPI's	FY 22	FY 23	FY 24	Jun-24
Revenue	223.53	338.10	728.92	205.18
EBITDA	50.02	81.69	169.32	51.28
Net Profit	34.55	55.34	108.57	29.97
RoCE	60.43%	42.37%	41.20%	10.79%
ROE	48.23%	43.61%	37.36%	9.35%
P/E	54.81	34.50	18.20	13.04*

\*Annualized

### Promoter Share Holding Pattern

Pre-Issue	Post Issue
93.66%	70.02%

### Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	8.13	8.85
BVPS	21.23	58.02
P/E	18.20	16.72
P/BV	6.97	2.55
Mkt Cap (In Cr)	2,025.38	2,597.84

\*Annualized

### Lead Managers -

**Hem Securities Limited**

### Registrar -

**Bigshare Services Private Limited**

## Business Overview –

Enviro Infra Engineers Limited is engaged in the business of designing, construction, operation and maintenance of Water and Wastewater Treatment Plants (WWTPs) and Water Supply Scheme Projects (WSSPs) for government authorities/bodies. WWTPs include Sewage Treatment Plants (STPs), Sewerage Schemes (SS) and Common Effluent Treatment Plants (CETPs) while WSSPs include Water Treatment Plants (WTPs) along with pumping stations and laying of pipelines for supply of water (collectively, “Projects”). The treatment process installed at most of the STPs and CETPs is Zero Liquid Discharge (ZLD) compliant and the treated water can be used for horticulture, washing, refrigeration and other process industries. These projects are partly funded by Central Government under schemes like the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and fully funded under the National Mission for Clean Ganga (NMCG) for projects in urban areas.

As on June 30, 2024, they have successfully developed 28 WWTPs and WSSPs across India in past seven (7) years which includes 22 projects with 10 MLD capacity and above. They are presently executing projects in 8 states namely, Gujarat, Rajasthan, Delhi, Jharkhand, Karnataka, Uttar Pradesh, Chattisgarh and Madhya Pradesh.

## Revenue Bifurcation:

(Amt in Cr.)

Particulars	FY 2022		FY 2023		FY 2024	
	Amt	%	Amt	%	Amt	%
Waste Water Treatment Plant	204.81	91.63	233.78	69.15	78.42	38.22
Water Supply Scheme Projects	-	-	86.83	25.68	119.98	58.48
O&M	18.72	8.37	17.49	5.17	6.78	3.31
<b>Total</b>	<b>223.53</b>	<b>100.00</b>	<b>338.10</b>	<b>100.00</b>	<b>205.18</b>	<b>100.00</b>

**Order Book:** As of June 30, 2024, the Order Book includes 21 WWTPs and WSSPs for an aggregate value of ₹ 1,906.28 Cr.

## Few Completed Projects:



42+20+1 MLD Bareilly UP (includes solar plant)



30 MLD STP Kota Rajasthan (includes solar plant)



52 MLD STP at Bhatinda Punjab

**Subsidiaries:** All the companies were incorporated to act as a Special Purpose Vehicle (SPV) in order to execute a project by Government of Uttar Pradesh through Uttar Pradesh Jal Nigam and the National Mission for clean Ganga in the name of Pollution Abatement Works.

- EIEPL Bareilly Infra Engineers Private Limited (74% shareholding)**
- EIEL Mathura Infra Engineers Private Limited (74% shareholding)**

Both the companies work for River Ram Ganga at Bareilly under Bareilly Municipality in Uttar Pradesh State including 15 years O&M under Hybrid Annuity based PPP mode and the Project shall include EPC of 60 MLD STP and online monitoring system for the STPs and MPS, the on-site testing laboratory facilities, and such other facilities associated with the Mathura STP, and its Associated Infrastructure and operation and Maintenance of this plant and facilities.

- Enviro Infra Engineers (Saharanpur) Private Limited (48% shareholding)** – This company was incorporated for the development of 135 MLD Sewage Treatment Plant (STP) at Pinjora Village in Saharanpur along with its Associated Infrastructure which includes nala tapping at 61 locations, pumping station, rising main and appurtenant structures and allied works and O&M for a period of 15 years through Hybrid Annuity Based Public Private Partnership (PPP) Mode for River Paondhoi and Dhamola at Saharanpur STP) in Saharanpur, Uttar Pradesh under the Namami Gange Programme.

**Competition -**

- 1. Market Competition:** The company is in a highly competitive industry and the key factors of competition are type of project, total contract value, potential margins, complexity, location of the project and risks relating to revenue generation. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards.
- 2. Geographic Competition:** The company faces competition from organized as well as unorganized players in both domestic as well as international market.
- 3. Barriers to entry:** Moderate barriers to entry.
- 4. Threat of Substitutes:** High threat of substitutes.
- 5. Bargaining Power of Buyers:** The bargaining power is high with the customers.
- 6. Bargaining Power of Suppliers:** The bargaining power of suppliers is moderate.

**Business Strategies -**

1. The company intends to increase the size of the projects from the current 50 to 200 MLD for STPs and 20 to 50 MLD for CETPs.
2. The company has entered into joint ventures with other infrastructure and construction companies to jointly bid and execute projects and as of June 30, 2024 they have 5 WWTPs and WSSPs projects.
3. The company intends to expand their geographic presence to other regions of the country, especially the East and South India.
4. The company has taken initiatives towards transforming “Waste to Energy” in our projects and focus on our commitment to renewable energy, maximizing energy efficiency, reducing our carbon footprint, and enhancing, protecting and contributing to environmental sustainability.
5. The company intends to install solar power plants which is expected to reduce the cost of power to be drawn from the grid and also install compressed bio gas (CBG) plant which will enhance the O&M revenues from the projects. They are now focussing on “Projects contributing to Sustainable Development”.
6. The company intends to capitalize on government initiatives in WWTP and WSSP sectors and are presently executing 5 projects under the Atal Mission for Rejuvenation and Urban Transformation, 5 projects under the Jal Jeevan Mission, 2 projects under the Namami Gange Programme and 1 project under the National Mission for Clean Ganga.

**Risk Factors -**

The company has 15 outstanding cases against it for tax matters amounting to Rs. 3.32 Cr and they have filed 7 cases regarding civil matters amounting to Rs. 38.70 Cr.

The subsidiary companies have 4 cases against them regarding tax matter amounting to Rs. 0.0084 Cr.

The company had negative cash flow from operations for FY2024 and Jun-24.

The company had Rs. 258.83 Cr of contingent liabilities as of June 30, 2024.

**INDUSTRY OVERVIEW**

**Waste Water Treatment Industry in India-**

The water and wastewater treatment market in India is poised for significant growth, driven by escalating demand for clean water and ongoing technological advancements in water treatment methods. The country's increasing investments in wastewater networks and facilities, particularly aimed at addressing the remaining 50% of sewage generated in urban areas, further fuel market expansion.

With persistent and rapid urbanization, coupled with the imperative to treat sewage from semi-urban and rural areas, projections suggest a need for 4500 or more sewage treatment plants (STPs) across India. To finance such projects, the Indian government has introduced innovative financial mechanisms, including the Hybrid Annuity Model (HAM) under the National Mission for Clean Ganga (NMCG), overseen by the water resources department. Under this model, developers are tasked with covering operation and maintenance (O&M) costs, along with 60% of the capital costs, while the government funds the remaining 40%. Over a predetermined period, typically 15 years, the government reimburses the developer, including interest, incentivizing private investment and attracting financial institutions to the market.

**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	5.228	6.201	6.608	7.049	8.584	10.524	12.971	7.01%
Wastewater Treatment	5.413	6.180	6.493	6.825	7.944	9.283	10.879	5.32%
Total	10.641	12.381	13.101	13.874	16.528	19.808	23.850	6.20%

(Source: RHP)

**INDIA WATER & WASTEWATER TREATMENT MARKET REVENUE ESTIMATES AND FORECAST, BY APPLICATION, 2019-2033 (USD BILLION)**

Application	2019	2022	2023	2024	2027	2030	2033	CAGR% (2024-33)
Sewage Water Treatment Plant	4.088	4.747	5.020	5.312	6.315	7.550	9.070	6.12%
Common Effluent Treatment Plant	1.415	1.637	1.728	1.826	2.161	2.572	3.075	5.96%
Water Treatment Plant	5.138	5.997	6.353	6.736	8.052	9.685	11.705	6.33%
Total	10.641	12.381	13.101	13.874	16.528	19.808	23.850	6.20%

(Source: RHP)

**INDIA WATER & WASTEWATER TREATMENT MARKET REVENUE ESTIMATES AND FORECAST, BY EQUIPMENT, 2019-2033 (USD BILLION)**

Equipment	2019	2022	2023	2024	2027	2030	2033	CAGR% (2024-33)
Filtration	1.946	2.270	2.405	2.549	3.047	3.663	4.426	6.32%
<i>Ultra-Filtration</i>	1.217	1.432	1.522	1.618	1.952	2.370	2.893	6.67%
<i>Micro-Filtration</i>	0.728	0.838	0.883	0.931	1.094	1.293	1.533	5.70%
Disinfection	6.393	7.418	7.842	8.296	9.852	11.769	14.123	6.09%
Adsorption	0.061	0.070	0.074	0.078	0.093	0.111	0.133	6.06%
Desalination	1.994	2.331	2.471	2.622	3.141	3.786	4.585	6.41%
Testing	0.139	0.161	0.170	0.180	0.215	0.257	0.309	6.17%
Others	0.109	0.130	0.139	0.149	0.181	0.222	0.273	7.01%
Total	10.641	12.381	13.101	13.874	16.528	19.808	23.850	6.20%

(Source: RHP)



**Key Management -**



<b>Key Management Persons Name -</b>	<b>Sanjay Jain</b>
<b>Age</b>	52
<b>Designation and No. of experience</b>	Promoter, Chairman and Whole-Time Director, 20+ years of experience in water and wastewater treatment industry
<b>Qualification</b>	Bachelor's degree in chemical engineering
<b>Responsibility</b>	Looks after the designing, procurement of raw material and machinery in connection with construction and operation & maintenance of projects of the Company
<b>Other Directorships</b>	EIEL Mathura Infra Engineers Private Limited, EIEPL Bareilly Infra Engineers Private Limited etc.
<b>Key Management Persons Name -</b>	<b>Manish Jain</b>
<b>Age</b>	48
<b>Designation and No. of experience</b>	Promoter and Managing Director, 20+ years of experience in water and wastewater treatment industry
<b>Qualification</b>	Bachelor's degree in chemical engineering
<b>Responsibility</b>	Looks after bidding, execution and operation & maintenance of projects as well as finance and business development in the Company
<b>Other Directorship</b>	EIEL Mathura Infra Engineers Private Limited, EIEPL Bareilly Infra Engineers Private Limited etc.
<b>Key Management Persons Name -</b>	<b>Ritu Jain</b>
<b>Age</b>	52
<b>Designation and No. of experience</b>	Promoter and Non-Executive Director, 7+ years of experience in water and wastewater treatment industry
<b>Qualification</b>	Bachelor's degree in science (Home Science), Bachelor's degree in education and Master's degree in science (Home Science)
<b>Responsibility</b>	Looks after CSR activities in the Company
<b>Other Directorships</b>	-
<b>Key Management Persons Name -</b>	<b>Anil Goyal</b>
<b>Age</b>	64
<b>Designation and No. of experience</b>	Independent Director, 40+ years of experience in accounting, auditing, taxation, restructuring, corporate governance and allied areas
<b>Qualification</b>	Practicing CA, Bachelor's degree in commerce, Master's degree in commerce and member of ICAI, ICMAI and ICSI
<b>Other Directorships</b>	AU Fait Consultants Private Limited
<b>Key Management Persons Name -</b>	<b>Nutan Guha Biswas</b>
<b>Age</b>	62
<b>Designation and No. of experience</b>	Independent Director, 15+ years of experience
<b>Qualification</b>	Bachelor's degree in arts
<b>Other Directorships</b>	Dredging Corporation of India Limited
<b>Key Management Persons Name -</b>	<b>Aseem Jain</b>
<b>Age</b>	53
<b>Designation</b>	Independent Director, 20+ years of experience in cost accountancy, finance, accounts, taxation, contracts, commercial and regulatory laws
<b>Qualification</b>	Practicing Cost Accountant
<b>Other Directorships</b>	-

- The overall management of the company is satisfactory.
- The management and promoters have good experience.
- There is an evidence of dual chairmanship, which is not favourable.
- Sunil Chauhan (CFO) has 25+ years of experience in finance and accounting.
- The senior management consists of COO, CHRO and General Manager. They have an average experience of 14 years.

**FINANCIAL SNAPSHOT**
**Statement of Profit and Loss**
**Amt in Crores**

Particulars	FY 22	FY 23	FY 24	Jun-24
Revenue from Operations	223.53	338.10	728.92	205.18
Other Income	2.10	3.56	9.09	2.28
<b>Total Income</b>	<b>225.62</b>	<b>341.66</b>	<b>738.00</b>	<b>207.46</b>
<b>Expenses</b>				
Cost of Material Consumed	88.89	180.28	404.96	104.02
Stores, Spares and Tools Consumed and Hiring of Equipment & Machinery	3.13	3.55	5.71	1.58
Other Construction and Operating Expenses	63.91	43.10	102.25	29.42
Employee benefits expense	14.48	21.81	33.89	10.22
Finance Cost	4.33	8.35	22.52	8.48
Depreciation and Amortization expense	1.72	2.30	6.08	1.96
Sales, Administration and Other Expenses	3.09	7.67	12.79	8.66
<b>Total Expenses</b>	<b>179.55</b>	<b>267.07</b>	<b>588.19</b>	<b>164.34</b>
<b>EBITDA</b>	<b>50.02</b>	<b>81.69</b>	<b>169.32</b>	<b>51.28</b>
<b>EBITDA Margin</b>	<b>22.38%</b>	<b>24.16%</b>	<b>23.23%</b>	<b>24.99%</b>
<b>Profit/(Loss) before tax</b>	<b>46.07</b>	<b>74.59</b>	<b>149.81</b>	<b>43.12</b>
<b>Tax Expense</b>				
Current tax	11.87	19.53	42.06	13.33
(Excess)/Short Provision of Income Tax for Earlier Years	-0.16	0.03	0.05	-
Deferred Tax (net)	-0.19	-0.31	-0.87	-0.18
<b>Total Tax Expense</b>	<b>11.52</b>	<b>19.25</b>	<b>41.24</b>	<b>13.15</b>
<b>Profit/(Loss) for the year</b>	<b>34.55</b>	<b>55.34</b>	<b>108.57</b>	<b>29.97</b>
<b>Net Profit Margin</b>	<b>15.31%</b>	<b>16.20%</b>	<b>14.71%</b>	<b>14.45%</b>

**Statement of Assets and Liabilities**
**Amt in Crores**

Particulars	FY 22	FY 23	FY 24	Jun-24
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' funds</b>				
Share Capital	2.44	25.62	136.85	136.85
Other Equity	69.18	100.89	155.33	186.15
<b>Total Shareholder's Fund</b>	<b>71.62</b>	<b>126.51</b>	<b>292.18</b>	<b>323.00</b>
Non-Controlling Interest	0.01	0.37	-1.59	-2.37
<b>Total Equity</b>	<b>71.63</b>	<b>126.89</b>	<b>290.59</b>	<b>320.62</b>
<b>2. Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings	1.80	43.81	90.10	106.74
(iii) Other financial liabilities	5.86	9.83	14.54	31.03
Provisions	0.64	0.88	0.98	1.04
Other non-current liabilities	-	5.94	-	-
<b>Total Non-current liabilities</b>	<b>8.30</b>	<b>60.46</b>	<b>105.61</b>	<b>138.81</b>
<b>3. Current liabilities</b>				
Financial Liabilities				
(i) Borrowings	16.31	20.73	143.50	198.85
(iii) Trade Payables				
(a) Outstanding Dues to MSME	18.53	32.04	10.92	17.02
(b) Outstanding Dues to other than MSME	16.84	65.48	152.13	58.82
(iv) Other Financial Liabilities	6.69	9.07	28.20	40.96
Provisions	0.08	0.16	0.26	0.29
Current Tax Liabilities (net)	7.06	2.71	19.98	30.57
Other current liabilities	2.83	30.04	9.99	6.94
<b>Total Current liabilities</b>	<b>68.34</b>	<b>160.24</b>	<b>364.99</b>	<b>353.44</b>
<b>Total Liabilities</b>	<b>76.63</b>	<b>220.70</b>	<b>470.60</b>	<b>492.25</b>

Particulars	FY 22	FY 23	FY 24	Jun-24
<b>Total Equity and Liabilities</b>	<b>148.27</b>	<b>347.58</b>	<b>761.19</b>	<b>812.87</b>
<b>ASSETS</b>				
<b>1. Non-current assets</b>				
Property, Plant and Equipment	10.17	18.31	46.91	51.22
Capital work-in-progress	-	0.26	1.38	0.23
Intangible Assets	0.03	0.03	-	-
Financial Assets				
(iii) Loans	0.02	0.03	0.05	0.03
(i) Other financial assets	23.03	95.49	149.81	151.46
Deferred Tax Assets	0.76	1.10	1.97	2.15
<b>Total Non-Current assets</b>	<b>34.01</b>	<b>115.22</b>	<b>200.12</b>	<b>205.08</b>
<b>2. Current assets</b>				
Inventories	8.37	9.82	35.27	20.28
Financial Assets				
(i) Trade receivables	39.45	56.52	104.11	112.27
(ii) Cash and cash equivalents	0.24	2.38	0.87	0.22
(iii) Bank balances other than (ii)	24.67	89.89	147.65	120.46
(iv) Loans and advances	0.03	0.05	0.07	0.06
(iii) Other financial assets	33.61	54.72	234.22	315.26
Current Tax Assets (net)	0.68	1.31	1.44	1.54
Other Current Assets	7.22	17.67	37.42	37.71
<b>Total Current assets</b>	<b>114.26</b>	<b>232.36</b>	<b>561.07</b>	<b>607.79</b>
<b>Total Assets</b>	<b>148.27</b>	<b>347.59</b>	<b>761.19</b>	<b>812.87</b>

Cash Flow Statement	Amt in Crores			
Particulars	FY 22	FY 23	FY 24	Jun-24
Net Cash Flow from Operating Activities	41.60	101.09	-69.00	-103.41
Net Cash Flow from Investing Activities	-26.05	-141.00	-139.34	22.73
Net Cash Flow from Financing Activities	-15.69	42.05	206.84	80.04

Key Ratios							
Per Share Data	FY 22	FY 23	FY 24	Valuation Ratios (x)	FY 22	FY 23	FY 24
Diluted EPS	2.70	4.29	8.13	EV/EBITDA	1.30	1.21	2.22
BV per share	293.58	49.53	21.23	Market Cap / Sales	11.62	7.68	3.56
<b>Operating Ratios</b>				P/E	54.81	34.50	18.20
EBITDA Margins	22.38%	24.16%	23.23%	Price to Book Value	0.50	2.99	6.97
PAT Margins	15.31%	16.20%	14.71%	<b>Solvency Ratios</b>			
Inventory days	13.66	10.61	17.66	Debt / Equity	0.25	0.51	0.80
Debtor days	64.42	61.02	52.13	Current Ratio	1.67	1.45	1.54
Creditor days	136.27	195.64	138.16	Quick Ratio	1.55	1.39	1.44
<b>Return Ratios</b>				Asset Turnover	1.51	0.97	0.96
RoCE	60.43%	42.37%	41.20%	Interest Coverage Ratio	11.15	3.36	19.99
RoE	48.23%	43.61%	37.36%				

**FINANCIAL ANALYSIS –**

1. The top line has increased over the years. For FY2023 it increased by 51% and for FY2024 it increased by 115% which was due to increase in revenue from contracts, unbilled revenue from contracts and O&M.
2. The net profit also increased over the years by 60% in FY2023 and 96% in FY2024.
3. The PAT and EBITDA margin have seen a slight dip in FY2024.
4. The RoCE and RoE have also slightly decreased over the years.
5. The PE ratio has improved over the years.
6. The company had negative cash flow from operations for FY2024 and Jun-24.

**PEER ANALYSIS**

Particulars	Enviro Infra Engineers Limited			EMS Limited			ION Exchange Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	15.5%	16.4%	14.9%	21.5%	19.8%	18.8%	10.1%	9.7%	8.2%
EBITDA Margin	22.4%	24.2%	23.2%	31.9%	28.6%	27.1%	15.9%	14.8%	13.4%
RoCE	60.1%	40.4%	41.2%	28.7%	27.0%	24.2%	33.0%	30.5%	24.1%
ROE	48.2%	43.6%	37.4%	20.5%	21.9%	19.0%	24.8%	23.6%	19.3%
EPS (INR)	2.70	4.29	8.13	16.63	22.91	29.72	2.08	13.83	13.77
P/E	54.81	34.50	18.20	-	-	13.54	82.14	24.69	36.79

Particulars	Enviro Infra Engineers Limited			Va Tech Wabag Limited			Vishnu Prakash R Punglia Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	15.5%	16.4%	14.9%	4.4%	0.4%	8.5%	5.7%	7.7%	8.2%
EBITDA Margin	22.4%	24.2%	23.2%	8.8%	3.0%	14.1%	11.3%	13.6%	14.8%
RoCE	60.1%	40.4%	41.2%	14.0%	4.6%	16.6%	31.7%	34.2%	23.4%
ROE	48.2%	43.6%	37.4%	8.6%	0.8%	13.5%	28.3%	28.8%	16.9%
EPS (INR)	2.70	4.29	8.13	21.21	2.09	39.49	5.31	10.19	11.21
P/E	54.81	34.50	18.20	13.45	168.37	19.33	-	-	13.37

- The market cap of the company is less compared to its peers.
- The cash conversion cycle of the company is better compared to its peers.
- The RoCE and RoE of the company is better compared to its peers.
- The PE ratio of the company is better compared to ION Exchange and Va Tech Wabag.
- The NP margin and EBITDA margin of the company has seen a similar trend like its peers EMS Limited, ION Exchange and Va Tech Wabag.



**LEAD MANAGER TRACK RECORD -**

The lead manager to the issue is Hem Securities Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

**Hem Securities Limited –**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Danish Power Limited	4,321.44	1,503.00	Oct 28, 2024	897.55
2.	Forge Auto International Limited	31.10	108.00	Oct 04, 2024	89.45
3.	Sahasra Electronics Solutions Limited	186.16	283.00	Oct 04, 2024	902.85
4.	Unilex Colours and Chemicals Limited	31.32	87.00	Oct 03, 2024	71.50
5.	WOL 3D India Limited	25.56	150.00	Sep 30, 2024	134.10
6.	Manba Finance Limited	150.84	120.00	Sep 30, 2024	146.60
7.	Shubhshree Biofuels Energy Limited	16.56	119.00	Sep 16, 2024	250.10
8.	Vision Infra Equipment Solutions Limited	106.21	163.00	Sep 13, 2024	182.90
9.	My Mudra Fincorp Limited	33.26	110.00	Sep 12, 2024	102.90
10.	Namo eWaste Management Limited	51.20	85.00	Sep 11, 2024	224.50

The company has handled 60 mandates in the past three years (including the current year).

\*CMP for the above-mentioned companies is taken as of 19<sup>th</sup> Nov 2024.

As per the offer document, the above-mentioned mandates all have opened at a premium on the listing day.

## Recommendation -

Enviro Infra Engineers Limited has been in the industry since 2009 and has good experience in the industry. The management overview of the company is satisfactory.

The P/E on a post-IPO basis is 16.72 times which makes it fairly priced.

The company has a strong order book of Rs. 1,906.28 Cr.

Though the top line and bottom line has seen a jump in FY2024, it should not be a major concern as peer companies have also seen a similar trend. The profitability margins have also remained consistent over the years. The RoCE and RoE of the company is better than its peers.

The company has projects are partly funded by Central Government under schemes like the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and fully funded under the National Mission for Clean Ganga (NMCG) for projects in urban areas.

Thus, investors can **APPLY** to this IPO.

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The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

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