

Kuber Chauhan
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Issue Details

Issue Details	
Issue Size (Value in ₹ million, Upper Band)	6012
Fresh Issue (No. of Shares in Lakhs)	NA
Offer for Sale (No. of Shares in Lakhs)	180
Bid/Issue opens on	28th-Aug-24
Bid/Issue closes on	30th-Aug-24
Face Value	Rs. 2
Price Band	318-334
Minimum Lot	44

Objects of the Issue

➤ Offer for sale: ₹ 6012 million

The company will not receive any proceeds from the Offer. Instead, all proceeds will go to the Selling Shareholders, allocated according to the number of Offered Shares each Selling Shareholder sells as part of the Offer.

Book Running Lead Managers	
Equirus Capital Pvt Limited	
IIFL Securities	
Registrar to the Offer	
Link Intime Limited	

Capital Structure (₹ million)	Aggregate Value
Authorized share capital	150
Subscribed paid up capital (Pre-Offer)	120
Paid up capital (post-Offer)	120

Share Holding Pattern %	Pre-Issue	Post Issue
Promoters & Promoter group	97.7	67.7
Public - Others	2.3	32.3
Total	100	100

Financials

Particulars (₹ In million)	FY24	FY23	FY22
Revenue from operations	5,544	4,227	1,473
Operating expenses	4,644	3,529	1,293
EBITDA	900	697	181
Other Income	138	28	42
Depreciation	187	120	80
EBIT	850	605	143
Interest	27	22	13
PBT	823	583	130
Tax	198	147	31
PAT	625	436	99
Ratios	FY24	FY23	FY22
EBITDAM	16.2%	16.5%	12.3%
PATM	11.3%	10.3%	6.7%
Sales growth	31.2%	186.9%	NM

Company Description

The Company was originally incorporated as "ET TRAV-AIDES Pvt. Ltd" in 1996. Subsequently, the name of was changed to "Ecos (India) Mobility & Hospitality Ltd" in 2024. The company is primarily engaged in the business of providing chauffeured car rentals (CRR) and employee transportation services (ETS) to corporate customers, including Fortune 500 companies in India, for more than 25 years.

The company is the largest and most profitable chauffeur driven mobility provider to corporates in India, in terms of revenue from operations and profit after tax for FY2023.

The company has a pan-India presence in 109 cities spread across 21 states and 4 union territories in India. The company carries out its operations in 97 cities through vendors.

The company also caters to the global car rental requirements of its corporate customers, with global network of vendors, through whom the company has the capability of providing services in over 30 countries.

In FY2024, the company serviced the CCR and ETS requirements of more than 1,100 organisations in India and have completed more than 3,100,000 trips averaging more than 8,400 trips in a day.

The company operates a fleet of more than 12,000 economy to luxury cars, mini vans and luxury coaches. The CCR bookings for company's premium vehicles have increased from 60,979 bookings, constituting 28.53% of its CCR bookings in FY2022 to 168,261 bookings constituting 35.46% of its bookings in FY2024.

The company also provide cars of self-drive basis in the cities of Delhi, Gurugram, Mumbai and Bengaluru, and self-drive cars to customers outside India through vendors.

The company operates its fleet of vehicles on an asset light model. The company's own vehicles accounted for 5.81%, while vehicles operated through vendors accounted for 94.19% of the fleet respectively.

The company also exhibited the highest asset utilization of 16.04 times among peers for Fiscal 2023 indicating efficient resource management. The company has a healthy debt profile with a low debt/equity ratio at 0.12 times in FY2024.

Valuation & Outlook

ECOS (India) Mobility & Hospitality Limited is a chauffeur driven car rental service provider in India. The company's primary business is to provide chauffeured car rentals ("CCR") and employee transportation services ("ETS").

The company is the leader in chauffeur driven car services for corporate customers and is a niche player in B2B segment for corporate employees/customers/guests' mobility.

At the upper price band company is valuing at P/E of 32.1x with a market cap of ₹ 20,040 million post issue of equity shares and return on net worth of 42.7%.

On the valuation front, we believe that the company is fairly priced. Thus, we recommend a "SUBSCRIBE" rating to the IPO.

Company's Operations

The Company is a chauffeur driven mobility provider to corporates. They are primarily engaged in the business of providing CCR and ETS and have been providing these services to their corporate customers including Fortune 500 companies in India for more than 25 years. Through their owned vehicles and vehicles supplied by their Supplier, they operate a fleet of more than 12,000 which consists of various fuel types of Petrol, Diesel, CNG, Hybrid and EV. They have a pan-India presence in 109 cities through their own vehicles and vendors, spread across 21 states and four union territories in India which underscores their deep rooted and extensive footprint and demonstrates their penetration into diverse regions across India.

They also address the global car rental requirements of their corporate customers, with a global network of vendors through whom they have the capability of providing services in over 30 countries. Their business operations are broadly categorized under the following business verticals: (i) CCR; and (ii) ETS. They also provide cars of self-drive basis in the cities of Delhi, Gurugram, Mumbai and Bengaluru. They have also provided self-drive cars outside India through partners.

They are the largest and most profitable chauffeur driven mobility provider to corporates in India, in terms of revenue from operations and profit after tax for Fiscal 2023. The CCR segment is a B2B2C business, where their customers are corporate companies, and the end consumer is an employee, client, guest or visitor of these corporate companies. Through their ETS segment, they offer customers solutions to manage their employee home-office-home ground transportation. Their operations in 97 cities in India are conducted through vendors. In Fiscal 2024, they serviced the CCR and ETS requirements of more than 1,100 organisations in India. In Fiscal 2024, through their CCR and ETS segments, they have completed more than 3,100,000 trips averaging at more than 8,400 trips in a day. They also address the global car rental requirements of their corporate customers, through their global network of vendors with their capability of providing CCR services in over 30 countries.

They operate a fleet of more than 12,000 economy to luxury cars, mini vans and luxury coaches. They also provide specialty vehicles such as luggage vans, limousines, vintage cars and vehicles for accessible transportation for people with disabilities. They have increased their focus on premium vehicles due to increasing customer preference for premium vehicles and the number of CCR bookings for premium vehicles in their fleet has increased from 60,979 bookings, constituting 28.53% of their CCR bookings in Fiscal 2022 to 168,261 bookings constituting 35.46% of their bookings in Fiscal 2024. They operate our fleet of vehicles on an asset light model, where they strive to keep the number of vehicles which they own in their fleet significantly lower than the vehicles which are sourced from their vendors.

The company provides services to customers across public and private sectors operating in a range of industries including information technology, business process outsourcing, consultancy, healthcare, e-commerce, pharmaceutical, legal and manufacturing.

Chauffeured Car Rentals: The company offers economy to luxury cars, mini vans and luxury coaches with professionally trained chauffeurs to its customers through this segment. The CCR segment is a B2B2C business, where the customers are corporate companies, and the end consumer is an employee of these corporate companies. Through this segment the company also serves embassies, travel and tourism companies, exhibition and conference organizers, hotels, event management companies, airlines, government bodies, PSUs, NGOs, online bookings, retail and walk-in clients with a diverse range of vehicles where vehicles are provided for airport transfers, local city trips and outstation trips.

Employee Transportation Services: Through this segment, the company offers its customers with solutions to manage their employee ground transportation. The company provides its ETS in 10 cities in India, i.e., Bengaluru, Gurugram, Mumbai, Hyderabad, Pune, Noida, Chennai, Kolkata, Ahmedabad, Jaipur. The ETS segment caters to the daily home-office-home transportation requirements of employees of the corporate customers. The services include dedicated and compliant fleet and chauffeurs with supervisory manpower on site, routing and managing the transport desk/helpdesk for end customers with technology as per the requirements of the customer. The company may invoice its customers on either a trip basis, kilometer basis or on a monthly package, as per the agreement with the customer.

Geographic Locations: The company provides ETS in 10 cities in India. The CCR services are offered to the customers through vendors operating out of 109 cities in India. The company's offices are strategically located out of the cities of Bengaluru, Gurugram, Mumbai, Hyderabad, New Delhi, Pune, Noida, Chennai, Kolkata, Ahmedabad, Jaipur, Coimbatore, Rohtak and Lucknow to cater to the rising employee transport needs of these cities. Further the company derives majority of its revenues from Indian operations, while the foreign operations accounted for ~1% of the overall revenues.

Vehicle Procurement: The company operates its fleet of vehicles on an asset light model, where it strives to keep the number of the vehicles which it owns in the fleet significantly lower than the vehicles which are sourced from its vendors. The company procures various kinds of vehicles to cater to the demands of its customers. For instance, the company procures vehicles like Maruti Dzire and Maruti Ertiga for ETS and larger vehicles like Innova Crysta, Commuter, Hycross, Volvo coaches and luxury vans and cars like BMW, Mercedes and Audi for CCR. Since a large part of the customer demand is met by the company's vendors, the vendors also procure a variety of vehicles.

Fleet: The company operates a fleet of more than 12,000 vehicles, with include owned vehicles and as well as vehicles supplied by the vendors. The fleet consists of 53 electric vehicles as on March 31, 2024. The table below sets out the number of vehicles which the company operates in each segment.

The table below sets out the details of Their fleet as of March 31, 2024, March 31, 2023 and March 31, 2022:

Business Divisions (Rs mn)	FY 2024	FY 2023	FY 2022
CCR	2,400	2,163	845
ETS	3,032	1,948	571
Others	110	114	57
Total	5,544	4,226	1,473

Indian Operations

States	Major Focused Cities	FY 2024		FY 2023		FY 2022	
		Revenue (In Rs Millions)	As a % of total revenue from operations	Revenue (In Rs Millions)	As a % of total revenue from operations	Revenue (In Rs Millions)	As a % of total revenue from operations
Karnataka	Bangalore	1,100.96	19.86%	863.23	20.42%	210.7	14.30%
Haryana	Gurgaon	892.15	16.09%	618.26	14.63%	196.31	13.32%
Delhi	Delhi	338.04	6.10%	297.38	7.04%	111.62	7.58%
Maharashtra	Mumbai	621.30	11.21%	504.88	11.94%	299.25	20.31%
	Pune	416.01	7.50%	313.01	7.41%	77.20	5.24%
Telangana	Hyderabad	573.27	10.34%	490.20	11.60%	116.97	7.94%
Tamil Nadu	Chennai	430.37	7.76%	215.72	5.10%	46.57	3.16%
Uttar Pradesh	Noida	338.88	6.11%	241.09	5.70%	70.98	4.82%
Gujarat	Ahmedabad	159.00	2.87%	84.42	2.00%	30.81	2.09%
West Bengal	Kolkata	112.49	2.03%	104.37	2.47%	74.08	5.03%
Rajasthan	Jaipur	96.47	1.74%	78.11	1.85%	33.40	2.27%
Other Indian states	-	306.83	5.53%	248.51	5.88%	135.31	9.18%
Total (A)	-	5,385.78	97.14%	4,059.19	96.03%	1,403.21	95.26%
Others (B)*	-	158.33	2.86%	167.57	3.94%	70.23	4.74%
Total (A+B)	-	5,544.11	100.00%	4,226.76	100.00%	1,473.44	100.00%

Foreign Operations

Particulars	FY 2024		FY 2023		FY 2022	
	Revenue (In Rs Millions)	As a % of total revenue from operations	Revenue (In Rs Millions)	As a % of total revenue from operations	Revenue (In Rs Millions)	As a % of total revenue from operations
Foreign Operations	47.41	0.86%	52.62	1.24%	13.13	0.89%

Customers

Business Divisions (Rs mn)	FY 2024	FY 2023	FY 2022
CCR	2,400	2,163	845
ETS	3,032	1,948	571
Others	110	114	57
Total	5,544	4,226	1,473

Strengths:➤ **India's largest and most profitable chauffeur driven mobility provider**

The company is the largest and most profitable chauffeur driven mobility provider to corporates in India, in terms of revenue from operations and profit after tax for Fiscal 2023. The company has been providing CCR and ETS services to corporate customers, including Fortune 500 and BSE 500 companies in India, for more than 25 years. The company's two business segments create a synergy by offering its customers a seamless corporate transportation experience and an opportunity to cross-sell the company's services to customers in each segment.

Through the company's owned vehicles and vehicles supplied by the vendors, the company operates a fleet of more than 12,000 economy to luxury cars, mini vans and luxury coaches, economy vehicles, premium vehicles and buses/ vans. The company's presence in 109 cities in India, its large fleet size and presence in both ETS and CCR positions the company well to capitalise on the growth in the ETS and CCR markets. While economy car category still constitutes a substantial part of the booking numbers, through the premiumization of fleet in the CCR segment, the company intends to cater to the growing demand for premium vehicles from the customers. The company operates on an asset light model and strives to keep the number of the vehicles which it owns in the fleet significantly lower than the vehicles which are sourced from the vendors.

Fleet	FY 2024	FY 2023	FY 2022
Vehicles owned (No's)	5.81%	10.53%	13.52%
Vehicles operated through vendors (No's)	94.19%	89.47%	86.48%

Particulars	FY 2024	FY 2023	FY 2022
No. of Vendors	5,410	3,625	2,049

The company enters into non-exclusive agreements with its vendors which are on a principal-to-principal basis with payments on a monthly basis and no payment in the event of cancellation. The rates with vendors are approved every month and invoices are issued by vendors based on the trips or packages which they carry out as per the pre-approved rates.

➤ **Pan-India presence with operations in 109 cities in India**

As of March 31, 2024, the company's CCR services are offered to the customers through vendors operating out of 109 cities in India. The number of Indian cities where the provided its CCR services has grown from 89 in FY2021 to 94 in FYI 2024. The offices are strategically based out of the cities of Bengaluru, Gurugram, Mumbai, Hyderabad, New Delhi, Pune, Noida, Chennai, Kolkata, Ahmedabad, Jaipur, Coimbatore, Rohtak and Lucknow. The company provides ETS in 10 cities in India.

States	Major Focused Cities	FY 2024		FY 2023		FY 2022	
		Revenue (In Rs Millions)	As a % of total revenue from operations	Revenue (In Rs Millions)	As a % of total revenue from operations	Revenue (In Rs Millions)	As a % of total revenue from operations
Karnataka	Bangalore	1,100.96	19.86%	863.23	20.42%	210.7	14.30%
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Delhi	Delhi	338.04	6.10%	297.38	7.04%	111.62	7.58%
Maharashtra	Mumbai	621.30	11.21%	504.88	11.94%	299.25	20.31%
	Pune	416.01	7.50%	313.01	7.41%	77.20	5.24%
Telangana	Hyderabad	573.27	10.34%	490.20	11.60%	116.97	7.94%
Tamil Nadu	Chennai	430.37	7.76%	215.72	5.10%	46.57	3.16%
Uttar Pradesh	Noida	338.88	6.11%	241.09	5.70%	70.98	4.82%
Gujarat	Ahmedabad	159.00	2.87%	84.42	2.00%	30.81	2.09%
West Bengal	Kolkata	112.49	2.03%	104.37	2.47%	74.08	5.03%
Rajasthan	Jaipur	96.47	1.74%	78.11	1.85%	33.40	2.27%
Other Indian states	-	306.83	5.53%	248.51	5.88%	135.31	9.18%
Total (A)	-	5,385.78	97.14%	4,059.19	96.03%	1,403.21	95.26%
Others (B)*	-	158.33	2.86%	167.57	3.94%	70.23	4.74%
Total (A+B)	-	5,544.11	100.00%	4,226.76	100.00%	1,473.44	100.00%

The company typically enter into agreements with its vendors for a duration of one to five years. The company believe its long-standing relationships with vendors are attributed to timely payments, rewards and recognitions in terms of incentives, regular business from the customers and the opportunity to work with a good customer profile.

Further the company also has a global network of vendors through whom it provides CCR services in over 30 countries including USA, United Kingdom, France, Italy, Spain, Sweden, Denmark, Japan, China, and Singapore.

➤ **Comprehensive technology ecosystem enabling operational superiority**

The company is focused on ensuring seamless integrations across front end applications and back-end systems. The company's outsourced technology team has developed various applications which it employs in the business, some of which are set out below:

- Online Booking Tool- the online booking tool is a customizable tool which can be integrated with the travel desks of the customers. Through an API integration with the customer's platform, customers can manage their CCR requirements.
- Chauffeur Mobile Application- a mobile application for chauffeurs which helps chauffeurs with booking management, trip and route information.
- Customer Mobile Application- a customer mobile application which manages all aspects of a customer's need including bookings and displays of chauffeur details as soon as the booking is confirmed.
- CabDrive Pro- CabDrive Pro is a newly launched end-to-end full stack corporate car hire management system developed for the customers. It is integrated into the customers' mobile application, chauffeurs' application and RentNet application, which is the company's central transport management system.
- RentNet application, a central transport management system- The RentNet application is an end-to-end software for transport management. The system suggests adjustments based on the last feedback and incidents recorded for the allotted car and chauffeur, taking into account special customer requirements during allotment.

The company intends to capitalise on this trend through the focused technological advancement and development of secure customer applications ensuring seamless technology integrations across front end applications and back-end systems to make the application more user friendly.

➤ **Established brand built over years through operational excellence**

The company has undertaken various branding exercises including branding its vehicles and chauffeur uniforms with the "Eco" logo. The company undertakes online marketing through LinkedIn, Instagram, Facebook, YouTube and targeted emails. The company also undertake online marketing through targeted search engine optimization ("SEO") and pay per click ("PPC").

The company has also entered strategic collaborations with credit card issuing companies to solidify its market presence. The company is also member of IATO, OTOAI, TAAI, IEIA, EEMA, CoreNet, GBTA, ITTA to increase visibility and showcase its USPs at these various forums.

➤ **Robust financials with consistent performance**

The company strives to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. The company's Revenue from Operations grew to ₹ 544.41 Cr in FY2024 from ₹ 147.34 Cr in FY2022.

The EBITDA margins increased to 16.23% from 12.25% during the same period. The PAT increased to ₹ 62.53 Cr in FY2024 from ₹9.81 cr in FY2022. The company also exhibited the highest asset utilization of 16.04 times among peers for Fiscal 2023 indicating efficient resource management. The company has a healthy debt profile with low debt/equity ratio at 0.12 times in FY2024.

Key Strategies:

➤ Acquisition of new customers and increasing revenue from existing customers and expanding the sales team

Through the quality services, that the company offers, in the past significantly increased revenue from existing customers through providing quality services and enhancing the customer's overall experience. The company intends to introduce loyalty programs for its existing customers by offering rewards to further increase the revenue with existing customers.

The company intends to acquire new individual customers through direct brand partnerships with major credit card providers to grant the company access to new customers. The company also intends to increase its sales teams and enter new geographies and obtain new customers. The company's sales team has increased from 23 employees as of March 31, 2022 to 31 employees as of March 31, 2024. The company also has certain members of its sales team who are focussed on obtaining business from various government bodies in India and to increase participation in government tenders.

➤ Expanding presence in Tier-II and Tier-III cities in India and increasing the penetration in cities with existing operations

Over the years, the company have been significantly increasing its presence in tier-II and tier-III cities in India. Through its well-established pan-India presence, technology support and operational excellence, the company is well positioned to capitalize on the market opportunity in tier-II and tier-III cities. This operational presence will facilitate the entry into tier-II and tier-III cities as and when the company sets up offices in these cities. Expanding the presence in untapped markets with potential for customers provides the company with an opportunity to service customers seeking reliable transportation services.

Further the company intends to deepen market penetration in Tier-I cities, such as Mumbai and Bengaluru, through increasing the number of offices, as these areas are major economic hubs hosting a high concentration of businesses.

➤ Continue focus on building the brand through the brand building strategies and focus on operational excellence

The company has undertaken various branding exercises including branding the vehicles and chauffeur uniforms with the "Eco" logo. The company undertakes online marketing through LinkedIn, Instagram, Facebook, Youtube and targeted emails. The company also undertake online marketing through targeted SEO and PPC. To foster brand loyalty, the company offers a range of "Eco" branded merchandise including coffee mugs, pens, diaries, calendars, caps and coffee coasters to its customers. The company have also entered into strategic collaborations with credit card issuing companies to solidify its market presence. The company plans to continue focussing on building its brand and to this end it intends to strategically position itself at the travel counters at major airports.

➤ Expanding the geographical footprint globally

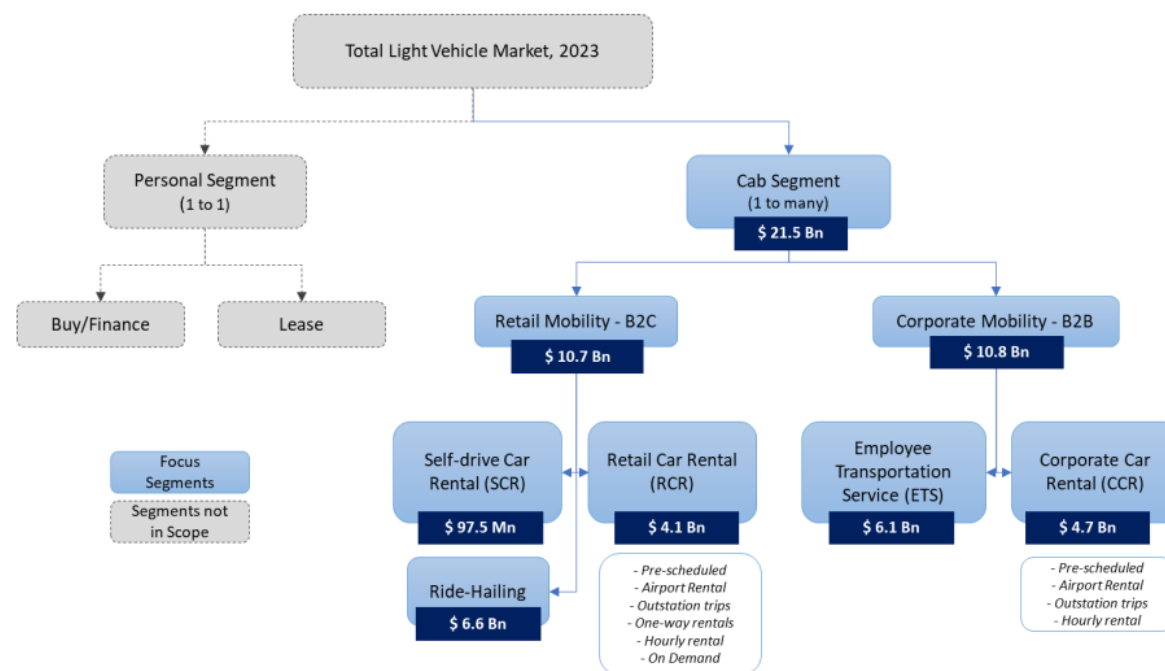
The company addresses the global CCR requirements of its corporate customers, with its global network of vendors through whom they have the capability of providing services in over 30 countries. The company plans to focus on expanding its presence globally by identifying key markets and industry segments with high demand, high growth potential and purchasing power and prioritising those markets. Moreover, the company plans to establish strategic partnerships with local transportation providers overseas to expand its service coverage and set up operational hubs in the key markets and cities identified to facilitate seamless service.

➤ Continue to focus on technology to ensure operational excellence

The company is focused on ensuring seamless technology integrations across front end applications and back-end systems. The company's outsourced technology team has developed various applications and systems which it employs in its business, including online booking tools, CabDrive Pro, a chauffeurs' application, customers' application and RentNet. The company is in the process of updating the existing backend system RentNet to a new system, New RentNet. The company intends to continue focusing and investing in technology by improving the existing technology, third party technology and integrations with the customers to meeting the evolving demands of the customers and to ensure efficiency in the company's processes.

Industry Snapshot

Indian Light vehicle market



The Indian light vehicle mobility market is divided into the Personal and Cab segments. The “Cab segment” refers to a mobility model where a single vehicle, owned by a specific firm or entity, is utilized to transport multiple users. In this arrangement, the vehicle serves as a shared resource, catering to the transportation needs of various individuals or customers. The cab segment is further divided into Retail, i.e., Business to Consumer (B2C) and Corporate i.e., Business to Business (B2B) categories.

Each of these is categorized and defined as below:

• **a) Employee Corporate (B2B)**

Transportation Services (ETS): Employee Transportation Services is a structured corporate mobility system aimed at facilitating convenient and efficient commuting for employees between their residences and workplaces. Typically administered by third-party vendors, ETS entails the provision of predefined routes and carpooling initiatives to optimize transportation logistics.

b) Corporate Car Rental (CCR): Corporate car rental (Chauffeur-driven) services cater to the needs of corporate clients and their employees, offering professional drivers for transportation purposes such as airport transfers, corporate events, conferences and exhibitions, outstation trips and hourly rentals. A wide range of vehicle options, from economy to luxury, ensures that diverse transportation requirements are met effectively.

• **Retail (B2C)**

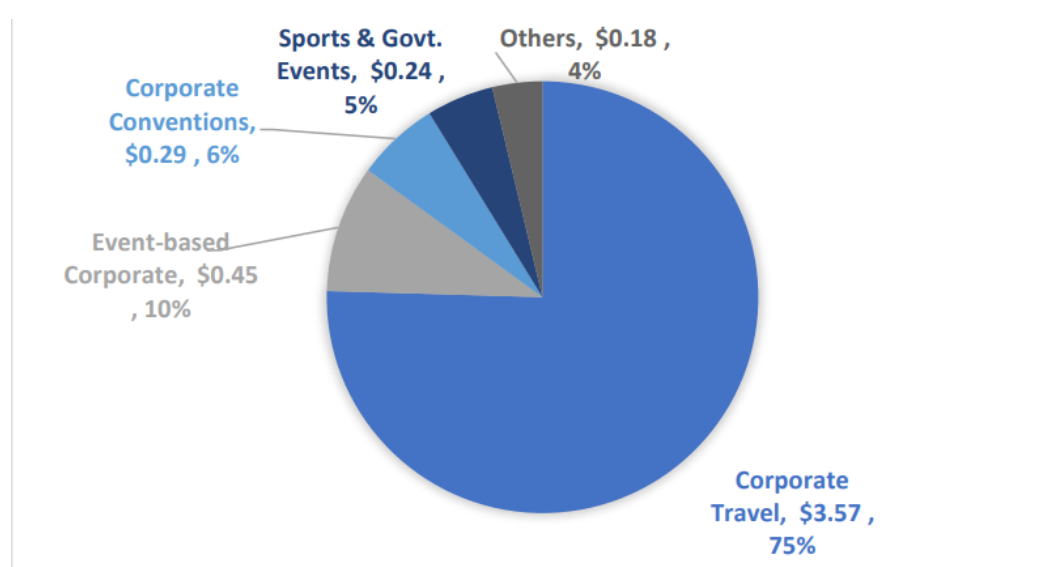
a) Self-drive Car Rental (SCR): Self-drive Car Rental refers to a mobility solution where individuals can rent vehicles for a specific duration and drive themselves without the need for a chauffeur.

b) Retail Car Rental (RCR): Retail Car Rental (Chauffeur-driven) refers to rental cars driven by professional drivers for various purposes, including airport transfers, leisure events, and for hourly requirements. Vehicle options range from economy to luxury and from cars to vans, meeting diverse individual transportation needs.

c) Ride-Hailing: A mobile app-based transportation service connecting passengers with independent drivers, and shared car rides.

Corporate Car Rental – Breakdown by End-user Type

India’s Corporate Car Rental market in CY2023 reveals a focus on essential business needs, with corporate travel, airport transfers dominating at \$3.6 billion accounting for a total of 75.3% of total revenue. Followed by corporate travel, three segments namely event-based travel, corporate conventions, and sports & government account for a total of \$0.98 billion with respective shares of 9.6%, 6.2%, and 5.0% revenue. This data suggests a business prioritizing core travel needs, while gradually returning to event-based activities and leisure travel.



Unorganized vs Organized Business in Corporate Mobility

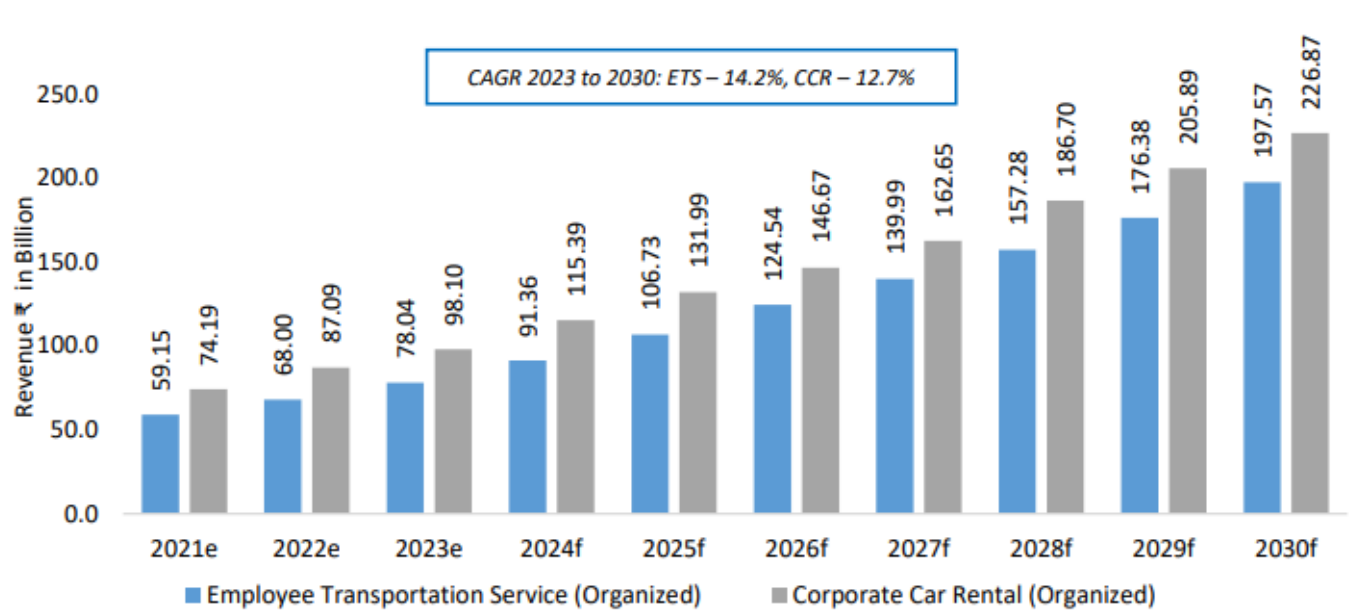
The corporate mobility sector is undergoing a significant transformation, with a clear shift towards a more formalized and organized structure. While the market has traditionally been fragmented with local, unorganized players, several factors are driving migration towards becoming organized especially through consolidation.

- **Corporate Need for Reliability & Accountability:** Companies increasingly prioritize reliable, accountable, and consistent service providers, favoring larger organized players.
- **PAN India Ambitions:** Big companies aim to expand their presence across India. Consolidation offers the scale and resources needed to achieve this goal.
- **Operational Efficiency & Safety:** Organized players leverage technology, centralized management, and safety protocols to provide a more efficient and secure travel experience, meeting rising corporate expectations.
- **Other factors include the need for adherence to ethical standards, access to standardized service level agreements (SLAs), pan-India requirements, the convenience of managing fewer vendors, the availability of technological solutions, and the pursuit of competitive pricing.**

Employee Transportation Services

Organized players hold an estimated 15% market share of the total ETS market in India (as of CY2023). This includes companies like Ecos (India) Mobility & Hospitality Limited, ORIX India, Wise Travel India Limited, Mahindra Logistics Limited, Select Cabs People Logistics Pvt. Ltd. that operate across the country with formal registrations, defined service models, and technology platforms.

Additionally, there is a rise in end-to-end solutions providers such as Consultrans Technology Solutions Pvt. Ltd., advocating a "Managed Mobility" model with 100% SLA ownership. Organized market is expected to increase to about 18% by CY2030. By opting to work with organized pan India players, clients seek assurance in meeting their diverse needs while streamlining processes and enhancing overall business performance. The remaining 85% of the market (as of CY2023) is dominated by unorganized players. This includes individual taxi drivers, small transportation companies, and informal carpooling arrangements. While they offer lower fares, concerns exist regarding safety, reliability, and service consistency.



Corporate Car Rental

The organized segment in the CCR market is estimated to hold a share at about 25% of total market (as of CY2023). This includes companies like Wise Travel India Limited, Avis India, ORIX India, ECO Mobility, Berggruen Car Rentals Private Limited, Carzonrent India Pvt. Ltd with formal operations and standardized offerings. Organized segment of CCR is expected to increase to more than 30% by CY2030. The unorganized segment still holds a significant share, estimated at 75% (as of CY2023). Like the ETS market, this comprises individual drivers, local companies, and informal arrangements, often catering to specific needs or price sensitive customers. However, more and more corporate are moving to organized players for advantages of single vendor for across India, transparent billing, better pricing, standardized and reliable services across the country.

Globally, the corporate mobility sector is experiencing a surge in consolidations, pushing it towards a more structured and organized state. In Europe, giants like ALD's acquisition of LeasePlan and Enterprise's string of acquisitions - AllCar Rent-a-Car, Carpingo, Walker Vehicle Rentals (Ireland), Discount Car and Truck Rentals (Canada), and SHB Hire (UK) - showcase the trend. Similarly, the US witnessed Wheels acquiring Donlen and then integrating LeasePlan, forming a single entity. While these moves (including India) might seem like larger companies swallowing up smaller players, they also incentivize the unorganized sector to become more organized. Integration into larger entities exposes them to improved practices, leading to a gradual shift towards a more structured and efficient corporate mobility environment.

Evolution of Solutions in Corporate Mobility Management - New Models

Several companies, like MoveInSync, Routematic and Safetrax, are providing software solutions for managing corporate mobility services. Some of these firms are now exploring the potential to expand their offerings beyond software, integrating fleet management into comprehensive end-to-end employee transport solutions while maintaining an asset-light approach. This trend of end-to-end solutions is anticipated to endure, driving the consolidation of the fragmented fleet operators competing in the corporate mobility market.

However, corporate customers highlight the absence of a maker-checker system in such arrangements. This is because technology is expected to both track, report, bill, and audit transport consumption for employee transport. Implementing a maker-checker system in technology-reliant transportation management enhances accuracy, reduces errors, promotes responsible spending, and addresses privacy concerns. There are also

concerns regarding the data privacy and security of driver data from existing ETS vendors being shared with a technology company that is also a competitor. Due to this, large vendors are hesitant to adopt technology where technology providers are also competing with transport service providers.

Integrated mobility providers, such as ECO Mobility, address this gap by offering end-to-end mobility solutions to corporates. Leveraging their pan-India presence, large fleet of cars, and technology-driven service approach, they provide a perfect balance. Unlike the unorganized sector, they offer professionalized services, while also mitigating concerns around technology ownership, data security, and privacy that can arise with pure software-based solutions.

In addition, there has been an emergence of end-to-end technology service providers like Consultrans Technology Solutions Pvt Ltd., who can offer comprehensive solutions to clients, including trained manpower, help desk management, compliance management, women's safety parameters, etc., while assuming 100% SLA ownership, with the client retaining control over the technology.

Accounting ratios

Particulars	FY 24	FY 23	FY 22
Revenue from Operations	5,544	4,227	1,473
Growth in revenue from operations (%)	31.2%	186.9%	NA
EBITDA	900	697	181
EBITDA Margin (%)	16.2%	16.5%	12.3%
PAT/Net loss	625	436	99
PAT Margin (%)	11.3%	10.3%	6.7%

Comparison with listed entity

Name of the company	Total Income (in Rs Million)	Face Value	Basic EPS	NAV Share	Per	P/E Ratio	RoNW
Ecos (India) Mobility & Hospitality Limited	5,682	2	10.42	29.1		32.0	42.7
Listed Peers							
Wise Travel India Ltd	4,140	10	12.79	89.3		20.82	15.6
Shree OSFM E-Mobility Limited	1,190	10	7.02	58.6		23.73	15.2

Note: 1) P/E Ratio has been computed based on the closing market price of equity shares on NSE on Aug 27, 2024.

2) * P/E of company is calculated on EPS of FY24 and post issue no. of equity shares issued.

Key Risks

- They are measured against high quality service standards and governed by the terms and condition of their contracts with their customers. Any failure by them to comply with these standards or the terms and conditions may lead to the cancellation of existing and future bookings, which could adversely affect their reputation, business, results from operations, financial conditions and cash flows.
- Their business depends on their relationships with vendors who supply vehicles and chauffeurs to them, and any adverse changes in such relationships, or their inability to enter into new relationships, could adversely affect their business and results of operations.
- They derive a significant part of their revenue from some customers, and they do not have long term contracts with all of these customers. If one or more of such customers choose not to utilise their services or to terminate their contracts or agreements, their business, cash flows, financial condition and results of operations may be adversely affected.
- Chauffeur shortages and increases in chauffeur compensation could adversely affect their Company's profitability and ability to maintain or grow its business.
- Their business is dependent on the road network in India and their ability to utilise their fleet in an uninterrupted manner. Any disruptions or delays in this regard could adversely affect them and lead to a loss of reputation and/ or profitability.

Valuation

ECOS (India) Mobility & Hospitality Limited is a chauffeur driven car rental service provider in India. The company's primary business is to provide chauffeured car rentals ("CCR") and employee transportation services ("ETS")

The company is the leader in chauffeur driven car services for corporate customers and is a niche player in B2B segment for corporate employees/customers/guests.

At the upper price band company is valuing at P/E of 32.1x with a market cap of ₹ 20,040 million post issue of equity shares and return on net worth of 42.7%. On the valuation front, we believe that the company is fairly priced. Thus, we recommend a "SUBSCRIBE" rating to the IPO.

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	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0%-15%	Below 0%
Mid-Caps (101st-250th company)	>20%	0%-20%	Below 0%
Small Caps (251st company onwards)	>25%	0%-25%	Below 0%

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