



**IPO note:**

**Ecos (India) Mobility & Hospitality Ltd - Subscribe**

The company provides Chauffeured Car Rentals (CCR) and Employee Transportation Services (ETS) to corporates and their clients which includes 42 fortune 500 companies in India. EIMHL is the largest and lucrative chauffeur driven mobility provider to corporates in India based on their revenue from operation and PAT as on FY23. With expertise of 25 years, company's client base includes 60 BSE 500 companies and 42 fortune 500 companies in India, among other companies as of FY24. The CCR segment operates into B2B2C model, where they provide service to corporate customers and end consumer will be corporate's employee, client, guest or visitor. In ETS segment, the company provides service to their corporate client's employee, to manage their transportation from home to office or office to ground by providing service in ten cities, which includes, Bengaluru, Gurugram, Mumbai, Hyderabad, Pune, Noida, Chennai, Kolkata, Ahmedabad, Jaipur. Also, they provide self-drive cars in cities such as Delhi, Gurugram, Mumbai and Bengaluru. Also, they provided self-drive car service outside India through vendors. They also provide other specialty vehicles like luggage vans, limousines, vintage cars and vehicles for accessible transportation for people with disabilities. EIMHL, also provides solutions for global car rental requirement of their customers in 30 countries through their global vendor networks. They operate a fleet of more than 12,000 economy to luxury cars, mini vans and luxury coaches, including vehicles owned by them and supplied by their suppliers, which consists of various fuel types of Petrol, Diesel, CNG, Hybrid and EV.

The company also has focus on their technological aspect, where they have integrated their API to travel desk platforms, enabling some customers for their customized online booking for CCR requirements. Their outsourced technology team has developed a chauffeur's mobile application and a customer mobile application which has various features such as to monitor various stages of a trip, which includes, booking management, route information and safety features. They have also developed backend central transport management system called RentNet, which handles reservations, operations, car tracking, incident management, billing, vendor payment, car maintenance and different management information system.

EIMHL, operates into various parts in India with presence in 109 cities across India including 21 states and four union territories through their own vehicle and vendors as of FY24. The company conduct operations through their vendors in 97 cities. Their customers include in a range of industries including information technology, business process outsourcing, consultancy, healthcare, e-commerce, pharmaceutical, legal and manufacturing. In their CCR segment, they also served for 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. In 2024, they provided CCR and ETS service to more than 1100 firms in India and in both segments, they have completed more than 3,100,000 trips averaging at more than 8,400 trips in a day.

The company operates on Asset light model where they keep the number of vehicles which they own in their fleet significantly lower than the vehicle which they sourced from their vendor. The company's customers are benefited from dual offerings of CCR and ETS segment, which creates synergies for the company where they can cross sell other services to their clients. Their CCR bookings for premium vehicles in fleet has increased from 60,979 bookings, constituting 28.53% of CCR 135 bookings in Fiscal 2022 to 168,261 bookings constituting 35.46% of bookings in Fiscal 2024.

#### Investment Recommendation and Rationale: -

**At the upper price band of Rs. 334, the issue is priced at a P/E multiple of 32.05 its FY24 post IPO EPS of Rs. 10.42. We give a 'SUBSCRIBE' rating to the issue for the following reasons: -**

- The company is able to maintained sustainable performance over the last three years with consistently enhancing operational activity.**
- Strong customer retention ratio, who contributed 89.75% in total operational revenue in FY24.**
- Experienced management who is able to create brand image over the years.**

Type of Issue	Offer for Sale of 18,000,000 shares (aggregating up to Rs. 601.20 Cr)
Issue size	Rs. 601.20 crores
Price Band	Rs. 318 to Rs. 334 (FV-Rs. 2)
Bid lot/ Bid Size	44 shares/ Rs. 14696
Issue structure	QIB-50% HNI-15% Retail-35%
Post issue equity shares	60,000,000 shares
Promoters and Promoter Group Public	Pre-Issue-97.75%   Post-Issue-67.75% Pre-Issue-2.25%   Post-Issue-32.25%
Post issue implied market cap	Rs. 2,004.00 crores
BRLMs	Equirus Capital Private Limited, IIFL Securities Limited
Registrar to the issue	LinkIntime India Private Limited

#### Financial Summary (Restated Consolidated) (₹Crore)

Particulars	FY24	FY23	FY22
Revenue from operations	554.41	422.68	147.34
EBITDA	89.96	69.72	18.05
EBITDA Margin (%)	16.23%	16.50%	12.25%
PAT	62.53	43.60	9.87
PAT Margin (%)	11.00%	10.25%	6.51%
ROE (%)	42.75%	46.70%	14.80%
RoCE (%)	42.88%	40.90%	19.07%
Debt to Equity Ratio (in times)	0.12	0.29	0.05

Source: Red Herring Prospectus (RHP)

#### Segment wise revenue breakup:

Business Division	FY24		FY23	
	Revenue (in Rs. Crores)	% of total revenue	Revenue (in Rs. Crores)	% of total revenue
CCR	240.02	43.29%	216.37	51.19%
ETS	303.29	54.71%	194.82	46.09%
<b>Total (A)</b>	<b>543.32</b>	<b>98.00%</b>	<b>411.18</b>	<b>97.28%</b>
Others (B)	11.09	2.00%	11.49	2.72%
<b>Total (A+B)</b>	<b>554.41</b>	<b>100.00%</b>	<b>422.68</b>	<b>100.00%</b>

Source: Red Herring Prospectus (RHP)



## Objects of the issue

Offer for Sale of 18,000,000 shares (aggregating up to Rs. 601.20 Cr)

## Shareholding pattern

Name of the Selling Shareholders	Type	Number of Equity Shares Offered	Weighted Average Cost of Acquisition per Equity Share (in ₹)
Rajesh Loomba	PSS	Up to 9,900,000 Equity Shares of face value of ₹ 2 each	Nil
Aditya Loomba	PSS	Up to 8,100,000 Equity Shares of face value of ₹ 2 each	Nil

Source: Red Herring Prospectus (RHP)

Company plans to use the Net Proceeds to fund the following objects:

- Enhance visibility and brand image

**The table below sets forth the revenue generated from the customers with whom the company has relationship for more than 5 years:**

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2020	
	Revenue (In Rs. crores)	As a percentage of total revenue from operations (%)	Revenue (In Rs. crores)	As a percentage of total revenue from operations (%)	Revenue (In Rs. crores)	As a percentage of total revenue from operations (%)
Customers with whom they have had a relationship of more than five years	316.80	57.14%	231.25	54.71%	56.12	38.09%

Source: Red Herring Prospectus (RHP)

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

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2020	
	Number of vehicles sourced from vendors	As a percentage of our total fleet size (%)	Number of vehicles sourced from vendors	As a percentage of our total fleet size (%)	Number of vehicles sourced from vendors	As a percentage of our total fleet size (%)
Fleet of vehicle	12,166	94.19%	6,991	89.47%	3,825	86.48%

Source: Red Herring Prospectus (RHP)

**The table below sets forth the number of vendors:**

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2023
Number of vendors	5,410	3,265	2,049

Source: Red Herring Prospectus (RHP)

**The table sets forth below shows revenue generated from retained customers:**

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2020	
	Revenue contribution (In Rs. crores)	As a percentage of total revenue from operations (%)	Revenue contribution (In Rs. crores)	As a percentage of total revenue from operations (%)	Revenue (In Rs. crores)	As a percentage of total revenue from operations (%)
Retained customers	497.56	89.75%	359.73	85.11%	122.74	83.30%

\*For a given period/ year, a customer is considered to be a retained customer if that customer was also a customer of the Company in the previous year

Source: Red Herring Prospectus (RHP)



## Peer Comparison

Name of the company	Standalone/ Consolidated	Face Value per equity share (in Rs)	EPS (Basic) (Rs per share)	EPS (Diluted) (Rs per share)	Net Asset Value ("NAV") (Rs. In crores)	P/E	RoWN (%)	Total Income for FY 24 (Rs. In crores)
Ecos (India) Mobility & Hospitality Limited	Consolidated	2	10.42	10.42	29.57	32.05	42.75	568.21
<b>Listed Peers</b>								
Wise Travel India Ltd	Consolidated	10	12.79	12.79	89.52	20.82	15.62	414.09
Shree OSFM E-Mobility Ltd	Standalone	10	7.02	7.02	58.64	23.73	15.24	119.06

Source: Red Herring Prospectus (RHP)

### Strenght:

1. One of the largest and profitable chauffeurs driven mobility provider in terms of revenue from operations as of FY23.
2. Long term relationship with customers across business segment.
3. Operating in 109 cities across Pan India.
4. Vast network of technologies that facilitates superior functioning.

Source: Red Herring Prospectus (RHP)

### Growth Strategy:

1. Expansion plans of their geographic footprints in Tier I and Tier II cities with existing operations in India and expansion of global operations as well.
2. Acquisition of new customers and maintaining long lasting relationship with existing customers for revenue growth.
3. Technological advancement to enhance service.
4. Utilize standing as a chauffeur-driven mobility provider to profit from the sector's expansion, which will fuel next stage of expansion.

Source: Red Herring Prospectus (RHP)

### Key Risk:

1. There are some litigations pending against Director and Promoters, company may incur litigation expense to defend promoters and director which could adversely affect their reputation and operational activity.
2. If they unable to maintain long-lasting customers who are major contributor to the revenue, then their profitability may get impacted.
3. Dependence on outsourced team for technological developments, may affect operations of the company, results and financial condition if they choose to terminate contract.
4. In past, they have been engaged in non-compliance with CSR requirements, this may impact financial condition and reputation.
5. Competition in chauffeur driven mobility provider industry may affect pricing, which could affect profitability.

Source: Red Herring Prospectus (RHP)



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