



M O B I L I T Y

Issue Opens - August 28, 2024 to August 30, 2024

Price Band

₹318 to ₹334

Face Value

₹2 per share

Issue Size

₹601.2 Cr

Lot Size

44 Shares

Issue Type

Book Built

research@ganeshstock.com



Important Events



Issue Size

18,000,000 shares / ₹601.2 Cr

Fresh Issue

N/A

Offer for Sale

18,000,000 shares / ₹601.2 Cr

Basis of Allotment

Monday, September 2, 2024

Initiation of Refunds

Tuesday, September 3, 2024

Credit of Shares to Demat

Tuesday, September 3, 2024

ECOs IPO Listing Day

Wednesday, September 4, 2024

Objects of The Offer

The Company will not receive any proceeds from the Offer, the Selling Shareholders will be entitled to the entire proceeds of the Offer.

The objects of the Offer are :

- 1 To achieve the benefits of listing the Equity Shares on the Stock Exchanges.
- 2 To carry out the Offer for Sale of up to 18,000,000 Equity Shares.



Brief profile of the Directors

Rajesh Loomba is the Chairman and Managing Director of the Company. He holds a bachelor's degree in commerce from University of Delhi. He has been associated with the Company since February 15, 1996. He has been inducted into the 'Global Hall of Fame' in 2019 by the World Auto Forum for his contribution to shared mobility in India and the World.

Aditya Loomba is the Joint Managing Director of the Company. He completed his post-graduation in management from S.P. Jain Institute of Management & Research. He has been associated with the Company since April 1, 2006. He has received an award for his role as Vice President – North for the year 2018-19 by All India Car Rentals and Leadership Excellence Award (Entrepreneur of the Year – Integrated Transportation Solutions) in 2014 by Brands Academy.

Nidhi Seth is a Non-Executive Director of the Company. She holds a bachelor's degree in arts (honors) from University of Delhi and a post graduate degree in fashion design from National Institute of Fashion Technology. She has been previously associated with Apparel United as the head designer.

Rajeev Vij is an Independent Director of the company. He holds a bachelor's degree in science from University of Delhi and has an advanced diploma in systems management by NIIT. He has been previously associated with Microsoft India as a senior channel executive host and Global Outlook Private Limited as the chief executive officer.

Debashish Das is an Independent Director of the company. He holds a master's degree in science in consultancy management from the Birla Institute of Technology and Science and a post graduate diploma in business management from Institute of Management Studies, Ghaziabad. He has also completed the LEAD (Learn | Enhance | Aspire | Deliver): an advanced management programme from Indian Institute of Calcutta. He has been previously associated with Bharti Airtel Limited and Videocon Telecommunications Ltd.

Archana Jain is an Independent Director of the company. She holds a certificate of practice from the Institute of Chartered Accountants in India. She has been practising as an independent chartered accountant since November 3, 2011. She is engaged in providing taxation related consulting services.

About The Company.



Eco Mobility 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. They are primarily engaged in the business of providing chauffeured car rentals and employee transportation services and have been providing these services to corporate customers, including Fortune 500 companies in India, for more than 25 years. . In Fiscal 2024, they provided services to 42 Fortune 500 companies and 60 BSE 500 companies, among others, in India.

Key operation of their Business

The company is primarily engaged in two business segments namely, chauffeured car rentals (“CCR”) and employee transportation services (“ETS”).

- **Chauffeured car rentals (CCR)** - 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.
- **Employee transportation services (ETS)** - Through their ETS segment, they offer customers with solutions to manage their employee home-office-home ground transportation.

They have a pan-India presence in 109 cities, with operations in 97 cities managed through vendors. Their fleet exceeds 12,000 vehicles, ranging from economy cars to luxury coaches.

Additionally, they cater to global car rental needs for corporate clients through a network of vendors, offering services in over 30 countries.

They operate their fleet on an asset-light model, prioritizing vehicles sourced from vendors over those owned by the company.

Statement of Profit and Loss



ECOS (INDIA) MOBILITY & HOSPITALITY LIMITED

(In rupees million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	5,544.11	4,226.76	1,473.44
Other income	137.94	27.53	42.10
Total income	5,682.05	4,254.29	1,515.54
Expenses			
Cost of service	3,886.45	2,924.01	962.86
Purchase of traded goods	3.13	47.20	29.83
Changes in inventories	0.89	(3.02)	-
Employee benefit expense	572.50	423.28	211.29
Finance cost	27.30	22.36	12.66
Depreciation and amortisation expense	187.10	119.53	80.06
Other expense	181.51	138.02	88.95
Total expenses	4,858.88	3,671.38	1,385.65
Profit before tax for the year	823.17	582.91	129.89
Income tax expense			
Current tax	193.40	145.83	28.16
Tax relating to earlier years	0.01	0.06	0.03
Deferred tax charge	4.45	1.11	2.99
Total tax expense for the year	197.86	147.00	31.18
Profit after tax for the year	625.31	435.91	98.71

Key Business Highlights



Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations (₹ million)	5,544.11	4,226.76	1,473.44
EBITDA (₹ million) ⁽¹⁾	899.63	697.27	180.51
EBITDA Margin (%) ⁽²⁾	16.23%	16.50%	12.25%
Profit for the Year (₹ million)	625.31	435.91	98.71
PAT Margin (%) ⁽³⁾	11.00%	10.25%	6.51%
Return on Capital Employed (%) ⁽⁴⁾	42.88%	40.90%	19.07%
Return on Equity (%) ⁽⁵⁾	42.75%	46.70%	14.80%
Debt to Equity Ratio (in times) ⁽⁶⁾	0.12	0.29	0.05

Business Divisions	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	As a percentage of total revenue from operations (%)	In ₹ million	As a percentage of total revenue from operations (%)	In ₹ million	As a percentage of total revenue from operations (%)
CCR	2,400.22	43.29%	2,163.71	51.19%	845.31	57.37%
ETS	3,032.96	54.71%	1,948.13	46.09%	571.05	38.76%
Total (A)	5,433.18	98.00%	4,111.80	97.28%	1,416.35	96.13%
Others (B)*	110.93	2.00%	114.92	2.72%	57.08	3.87%
Total (A+B)	5,544.11	100.00%	4,226.76	100.00%	1,473.44	100.00%

* Others include revenue from sale of traded goods, event management income and commission, and business support income.

Fleet	As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Number of vehicles	As a percentage of our total fleet size	Number of vehicles	As a percentage of our total fleet size	Number of vehicles	As a percentage of our total fleet size
Vehicles owned	750	5.81%	823	10.53%	598	13.52%
Vehicles operated through vendors	12,166	94.19%	6,991	89.47%	3,825	86.48%

Strengths



- **Strong Market Position:** The corporate mobility sector is undergoing a significant transformation, with a clear shift towards a more formalized and organized structure. Eco Mobility's presence in 109 cities in India, their large fleet size and presence in both Employees transportation services (ETS) and Chauffeured car rentals (CCR) positions them well to capitalise on the growth in the ETS and CCR markets.
- **Long-standing customer relationships:** The company has, through two and a half decades of business operations, established long-term relationships with customers across industries which they cater to. Company's long-standing relationships with customers offers them competitive advantages such as revenue visibility, industry goodwill and a deep understanding of the requirements of customers, and is a testament to the quality of their services.
- **Established Brand:** Eco Mobility has built a strong brand in India over 25 years through operational excellence, offering top-tier service, safety, and technology in chauffeur-driven mobility. The company leverages strategic branding, online marketing, and industry partnerships to solidify its market presence.
- **Comprehensive tech ecosystem:** Company is focused on ensuring seamless integrations across front end and back-end systems. They believe that their focus on proprietary technology has enabled them to develop a large customer base, strengthen customer relationships and improve brand recognition.
- **Robust financials with consistent performance:** They have experienced sustained growth in revenue and profits. Their financial strength provides them a valuable competitive advantage over competitors with access to financing, which are factors critical to their business. They also exhibit the highest asset utilization of 16.04 times and the healthiest debt profile amongst peers in India.

Threats



- **Relationships with vendors:** Company business depends on their relationships with vendors who supply vehicles and chauffeurs to us, and any adverse changes in such relationships, or their inability to enter into new relationships, could adversely affect their business and results of operations.
- **Risk of Non-Compliance Impact:** Failure to meet high quality service standards or contract terms with their customers could lead to the cancellation of existing and future bookings which could adversely affect company's reputation, business, results from operations, financial conditions and cash flows.
- **Client Concentration:** Company derives a significant part of 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 the contracts or agreements, their business, cash flows, financial condition and results of operations may be adversely affected.
- **Risk of Reputational Harm from Misconduct:** Misconduct by company's employees and contracted chauffeurs may be difficult to detect and could harm their brand and their reputation, or adversely affect their business prospects, results of operations and financial condition.
- **Economic Downturn:** Any downturn in the Global capability center's ("GCC") would create an adverse impact on their revenue from customers in the ETS business segment, cash flows and financial conditions.
- **Market Volatility:** The stock market, especially for IPOs, can be volatile. Investors should assess their risk tolerance before investing.



Valuation and Outlook

ECOS (INDIA) Mobility & Hospitality Limited IPO is expected to be priced between ₹427 to ₹450 per share. At this price, the company shows a Price-to-Earnings (P/E) ratio of 64.3x with an FY24 EPS of ₹6.93.

Fiscal 2024	Standalone/ Consolidated	Face Value per equity share (₹)	EPS (₹)		NAV (per share) (₹)	P/E	RoNW (%)	Total income (in ₹ millions)
			Basic	Diluted				
Ecos (India) Mobility & Hospitality Limited*	Consolidated	2	10.42	10.42	29.57	[●]	42.75	5,682.05
Listed peers								
Wise Travel India Ltd#	Consolidated	10	12.79	12.79	89.52	20.82	15.62	4,140.87
Shree OSFM E- Mobility Ltd#	Standalone	10	7.02	7.02	58.64	23.73	15.24	1,190.59

ECOS (India) Mobility & Hospitality Limited is a leading provider of chauffeur-driven car rentals in India, focusing on Chauffeured Car Rentals (CCR) and Employee Transportation Services (ETS). As a key player in the corporate mobility sector, ECOS serves the transportation needs of corporate clients, employees, and guests.

In Fiscal 2023, the ETS market in India was valued at US\$6.1 billion, with organized players holding 15% of the market, while the CCR market was worth US\$4.7 billion, with organized players capturing 25%.

The growth in ETS and CCR is driven by the shift back to office work, increased corporate travel, and the expansion of cities. From CY 2021 to CY 2023, the corporate car rental market grew from ₹315.6 billion to ₹392.4 billion, and the employee transportation service market grew from ₹398.2 billion to ₹503.5 billion. ECOS has expanded across India, especially in Tier-II and Tier-III cities, which are growing rapidly. The company plans to continue this growth by increasing revenue from current clients and gaining new ones.

In FY24, ECOS reported revenues of INR 5544.11 million, up 31.17% YoY. The company's asset-light model and strategic expansion position it well for future growth, making it a strong long-term investment.

We rate this IPO "**SUBSCRIBE**" rating. Investors may consider to park the funds for long-term investment as well as for the listing gains.

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