

IPO Details		Company Background					
<b>Opening Date</b>	Feb 12, 2024	<ul style="list-style-type: none"> <li>○ Wise Travel India Limited, established in 2009 has its registered office in Dwarka, Gujrat, India.</li> <li>○ The range of services includes car rental (luxury cars, rentals, coaches, SUVs, Sedans, etc) end-to-end employee transport solutions (MSP), flexible fixed/monthly rental plans, airport counters, fleet management, mobility services for MICE, cutting-edge mobility tech solutions, project mobility solutions, strategic consulting and advisory on mobility, and community commute. They offer transport solutions across 130 Indian cities.</li> <li>○ The company operates in all the major cities in India. The client base of the company includes Nokia, Amazon, Microsoft, Indigo, Coca-Cola, American Express, etc.</li> <li>○ As of October 31, 2023, the company had 784 employees including directors on its payroll.</li> </ul>					
<b>Closing Date</b>	Feb 14, 2024						
<b>Stock Exchange</b>	NSE SME						
<b>Lot Size</b>	1,000 Shares						
<b>Issue Price</b>	₹ 140 to ₹ 147 per share						
<b>Issue Size</b>	Aggregating up to 94.68 Cr.						
<b>Fresh Issue</b>	Aggregating up to 94.68 Cr.						
<b>Offer for Sale</b>	-						
<b>Application Amount</b>	₹ 1,47,000						
IPO Objective							
Funding of working capital requirements.							
Meet public issue expenses.							
General corporate purposes.							
Pre-Issue Shareholding			Market Capitalization (In Cr.)				
Category	No. of Shares	% of Total Shares	Pre-Issue	Post-Issue			
Promoter & Promoter Group	1,66,11,807	95.63%	₹ 255	₹ 350			
Public	7,59,030	4.37%					
Promoter of the Company			Financial Summary (In Lacs)				
1	Mr. Ashok Vashist		For the Period Ended	Mar-21	Mar-22	Mar-23	Sep-23
2	Ms. Hema Bisht		<b>Total Assets</b>	5,273.83	6,002.86	12,163.29	13,427.47
3	Mr. Vivek Laroia		<b>Net Assets</b>	2642.37	3194.08	5893.53	7023.08
<b>Competitive Strengths</b>			<b>Total Borrowings</b>	687.33	356.76	2641.67	2553.11
1	Experienced promoters and management team, expertise in the mobility industry.		<b>Total Revenue</b>	4406.72	890.99	24998.03	19,018.23
2	Strong Market Penetration in the Indian Corporate Market. Plans to expand internationally.		<b>Profit After Tax</b>	177.59	375.33	1,026.87	1,136.48
3	Tech Integration: Utilizes technology for Enhanced services.		Tentative Timeline				
4	Client Management: Demonstrates strong. Retention and satisfaction		<b>Opening Date</b>	Feb 12, 2024			
5	Scalable Business Model: Order Driven, and comprises of optimum utilization of existing resources, capacity to scale upward and undertake aggressive marketing of products		<b>Closing Date</b>	Feb 14, 2024			
			<b>Basis of Allotment</b>	Feb 15, 2024			
			<b>Initiation of Refunds</b>	Feb 16, 2024			
			<b>Credit of Shares to Demat</b>	Feb 16, 2024			
			<b>Listing Date</b>	Feb 19, 2024			

### Company Background and Analysis

Since its founding in 2009, Wise Travel India Limited (WTI) has sought to transform urban mobility through its suite of transportation services including corporate car rentals, custom employee transportation, and fleet management. Strategically located airport counters expand its reach. WTI also provides transportation for corporate events.

Over the past decade, key acquisitions like India Fleet, Wyncabs and Smart Ride have helped WTI rapidly expand its rental fleet to over 2,500 vehicles and broaden its clientele. With a presence in major metros and branded airport counters nationwide, WTI launched WTI RENT A CAR L.L.C. in Dubai in 2023, representing the first move in bringing WTI's revolutionary transportation solutions worldwide.

Breakdown of the company's revenue from services are given below:

(Amount in Lacs)

Particulars	Sep-30 2023		Mar 2023		Mar 2022		Mar 2021	
	Amt	%	Amt	%	Amt	%	Amt	%
Rental	18,988.50	100.00	24,931.17	99.88	8,862.40	100.00	4,218.49	99.80
Consultancy/ Training	-	-	28.69	0.12	-	-	8.30	0.20
<b>Total</b>	<b>18,988.50</b>	<b>100.00</b>	<b>24,959.87</b>	<b>100.00</b>	<b>8,908.69</b>	<b>100.00</b>	<b>4,226.80</b>	<b>100.00</b>

### Comprehensive Services offered by the Company –

- **Car Rental Services:** Corporate car rentals for airport transfers, outstation travel, and daily transportation.
- **Employee Transportation Services:** Daily employee pickups and drops for corporate clients.
- **End-to-End Employee Transport Solutions:** Automated, efficient, and transparent employee transportation management.
- **Flexible Fixed/Monthly Rental Plans:** Customized monthly car rentals with driver for corporate and individual clients.
- **Convenient Airport Counters:** Car rental counters at major airports across India after security areas.
- **Fleet Management Services:** Fleet leasing, purchasing, and management services.
- **Mobility Services for MICE:** Transportation services for meetings, conferences, and exhibitions.
- **Cutting-Edge Mobility Tech Solutions:** Technology-enabled mobility services for individuals and enterprises.
- **Sustainable Mobility:** Electric vehicle-based sustainable staff transportation and rentals.
- **Project Mobility Solutions:** Workforce transportation for Tier 2 and 3 cities.
- **Strategic Consulting and Advisory:** Consulting for car rental operators on market strategies.
- **Community Commute:** On-demand hybrid workplace commuting solutions.

Company aims to redefine workplace commuting and corporate vehicle rentals with the wide range of services offered by them.

## **Business Strategies**

### **1. Leveraging market skills and relationship -**

The company aims to leverage its marketing skills and relationships to continuously improve its service offerings and people capabilities driving revenue-growth. By enhancing the customer experience, the company aims to expand its customer base, generate stable revenue streams, and minimize complaints. The company's focus is on upgrading customer engagement and satisfaction through service excellence.

### **2. Optimal Utilization of Resources -**

The Company intends to further invest in their activities to develop customized systems and processes to ensure effective management control aside from regular analysis of their existing policies for providing bouquet of services which enables them to identify the bottlenecks and correct the same.

### **3. Improving operational efficiencies -**

The Company aims to continue to improve ongoing operational effectiveness through continuous business process review and timely corrective measures in case of diversion and technology up gradation with proper analytics base.

### **4. To Build-Up a Professional Organization -**

The company believes in transparency, commitment and coordination in their work, suppliers, customers, government authorities, banks etc. The company aims to leverage the experience of their staff and external agencies on a case-to-case basis for technical and financial aspects of their business.

### **5. Expansion of Business -**

The company intends to expand their geographical reach and enter the large domestic as well as global market for growth opportunities of their business. They also plan to deepen their presence in the existing market and expand their reach.

## Competitive Scenario and Peer Mapping

### Competition

India online cab services market is mainly driven by the two giant companies: ANI Technologies Private Limited (Ola Cabs) and Uber India Systems Private Limited (Uber India). In FY 2020, almost 74.65% of the total revenue generated by the online cab services market in India was attributed to Ola Cabs, whereas Uber India held a share of ~20.07% in the market. Other players operating in the market include Meru Mobility Tech Private Limited, Mega Cabs Private Limited, and Carzonrent (India) Private Limited. As of 2020, Ola Cabs is operational in around 130 cities in India, whereas Uber India operates in around 55 cities.

### Peer Analysis

**The comparison of the key performance indicators of the listed peers as of Mar-23 is given below –**

Particulars	Wise Travel India Limited	Shree OSFM E-Mobility Limited	Mahindra Logistics Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	4%	4%	-
EBITDA Margin	6%	9%	5%
Return on Capital Employed	17%	18%	6%
Return on Equity	25%	16%	5%
EPS (INR)	5.91	2.94	3.65

**The comparison of the key performance indicators of the listed peers as of Mar-22 is given below –**

Particulars	Wise Travel India Limited	Shree OSFM E-Mobility Limited	Mahindra Logistics Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	4.24%	5.38%	0.36%
EBITDA Margin	6%	11%	4%
Return on Capital Employed	10%	8%	5%
Return on Equity	13%	10%	3%
EPS (INR)	2.31	10.87	2.44

**The comparison of the key performance indicators of the listed peers as of Mar-21 is given below –**

Particulars	Wise Travel India Limited	Shree OSFM E-Mobility Limited	Mahindra Logistics Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	4.20%	2.6%	0.9%
EBITDA Margin	5.3%	8.5%	4.1%
Return on Capital Employed	1.0%	0.5%	5.9%

**Industry Overview**

Return on Equity	7.2%	4.9%	5.7%
EPS (INR)	1.09	4.93	4.19

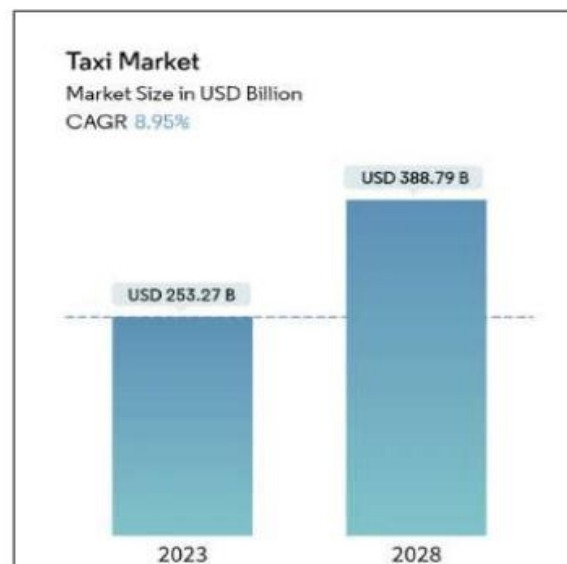
Exhibit 1: Taxi Market, Growth Rate (%), by region, 2022 - 2027.



Exhibit 2: Corporate Employee Transportation Service Market – Growth Rate by Region (2022-2027)



Exhibit 3: Taxi Market: Market Size (USD Billion)



(Source: prospectus)

### **Indian Transportation Industry -**

The Indian transportation sector, boasting the second-largest global road network covering 4.87 million kilometres, has seen significant growth. Over 60% of goods and 85% of passenger traffic traverse Indian roads, supported by the active expansion of the National Highway Development Project (NHDP). The cab service industry anticipates a robust CAGR by 2028, driven by factors like smartphone adoption, urbanization, and government support for shared mobility. Online cab services, dominated by smartphone penetration and FII investments, aim to reach a market value of INR 55.15 billion by FY 2025, despite challenges from government interventions and GST imposition.

### **Global Employee Mobility Service Industry -**

The global corporate employee mobility services industry is expanding, driven by technological advancements and diversified offerings. In 2023, the market reached USD 36.21 billion, projected to increase to USD 46.97 billion by 2028, boasting a CAGR of 5.34%. The initial impact of the COVID-19 pandemic was mitigated by remote work, but a return to the office is expected to generate new opportunities. Governments enhancing commute systems and ongoing innovations, including new product launches, cater to the growing demand within this sector.

### **The global Tourism Vehicle Rental Market -**

The tourism vehicle rental market, valued at USD 61.28 billion in 2021, is poised to reach USD 97.23 billion by 2027, exhibiting a CAGR of approximately 8%. Initially impeded by the COVID-19 pandemic and associated travel restrictions, the market is anticipated to experience nominal growth with the reopening of economies. Preferences for rental vehicles to ensure social distancing and hygiene contribute to market expansion. The luxury segment is expected to grow rapidly, particularly in the Asia-Pacific region, facing transportation challenges due to a growing population.

### **Tourism Vehicle Rental Market Trends**

In the vehicle rental industry, the online booking segment is poised for substantial growth, surpassing 60% in 2021 and projected to exceed 70% by 2027. Increased internet and smartphone usage, coupled with heightened awareness of virus containment and a preference for rental options over vehicle ownership, drive this trend. This aligns with evolving consumer preferences for digital access, convenience, and flexibility, supported by the rise of travel startups and third-party online booking platforms.

### **Cab/Taxi Industry -**

The taxi industry in the Asia-Pacific region dominates, fueled by escalating traffic congestion and affordable fares. Key players like DiDi Chuxing, Ola, and Onda capitalize on high smartphone penetration and continuously innovate to capture market share. Regulatory frameworks, exemplified by India's Motor Vehicle Aggregator Guidelines 2020, significantly influence operations. Bike taxis gain popularity in congested areas, with major players like Uber focusing on technological advancements, including self-driving cars, to enhance the customer experience and maintain competitiveness.

### **Online Bookings Driving the Market**

Online bookings in the taxi industry exceeded 60% in 2021 and are projected to surpass 70% by 2027. App-based booking convenience, flexible payment options, and diverse location choices appeal to customers. Major operators such as Grab, Uber, and Ola capitalize on this trend by offering ride-sharing options to meet the demand for low-fare services. Regulatory changes, such as India's fare capping allowing up to 20% commission on ride fares, have noteworthy implications for operators' revenue models.

(Source: prospectus)

### Key Managerial Personnel

**Ashok Vashist**, aged 51 years, is the Chief Executive Officer at the Company. Holding an MBA from the International Management Institute, he took on the role on September 4, 2023. With 29 years in the Corporate Travel Service Industry, he leads global operations, focusing on strategic planning, team development, and business administration. His prior roles include Chief Operating Officer at Carzonrent India Pvt. Ltd, among others.

**Vivek Laroia**, aged 54 years, is Managing Director and the Promoter of the Company. He holds Post Graduation Diploma in Business Administration. He was appointed on the Board on April 22, 2009, and further designated as Managing Director of the Company on September 13, 2023, for a period of 5 years. He is having 34 years of experience in the Corporate Travel Service Industry. He holds the responsibility of formulating major policy decisions, business strategies of the Company. He is responsible for the expansion and overall management of the business of the Company.

**Hema Bisht**, aged 54 years, is a director since 2009, possessing a bachelor's degree in arts from Delhi University. With over 17 years of expertise in corporate and travel services, she excels in team management, process operations, and business standards development.

**Manish Kumar Sharma**, aged 42 years, he is a Director at the Company, overseeing financial operations. Holding an M. Com degree, he joined as Executive Director on September 30, 2019, later becoming Whole-Time Director on September 15, 2023, for 5 years. With 20+ years in finance, He manages financial operations, budgeting, forecasting, and analysis, providing valuable strategic recommendations.

**Sameep Mittal**, aged 35 years, serves as the Chief Financial Officer at the Company. A Chartered Accountant with 12 years of experience in accounting and finance, he manages all finance-related aspects. Hailing from New Delhi, India, he graduated from PGDAV College, Delhi University, and joined Wise Travel India Ltd in 2011. With expertise in finance, accounting, auditing, and taxation, he plays a pivotal role in overseeing financial matters for the organization.

**Shivani Rastogi**, aged 28, she is the Company Secretary and Compliance Officer at the Company. A qualified Company Secretary from the Institute of Company Secretaries of India, she oversees all secretarial matters. Joining on September 6, 2023, she previously served as a Compliance Officer at Narbada Gems and Jewellery Limited in Hyderabad. With experience in listed and private companies, she has expertise in handling assignments related to company listings and corporate governance, further enhancing her skills in these areas.

To conclude, the company has 3 promoters, and they seem to be supported by a well-laid team having good exposure to various operational aspects of the line of business as well as years of relevant experience in the industry.



**Financial Snapshot**

<b>Profit and Loss Statement</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
Revenue from Operations	4,226.80	8,862.41	24,959.87	18,988.50
Other Income	179.92	108.58	38.16	29.73
<b>Total Income</b>	<b>4,406.72</b>	<b>8,970.99</b>	<b>24,998.03</b>	<b>19,018.23</b>
<b>Expenses</b>				
Operating Expenses	2,883.68	6,528.94	19,707.26	14,638.05
Employee benefits expense	632.35	1,032.08	2,027.78	1,305.45
Finance costs	56.29	68.53	151.55	178.68
Depreciation and Amortization expense	198.64	160.91	361.28	533.54
Other expenses	410.31	688.91	1,366.65	878.74
<b>Total Expenses</b>	<b>4,181.27</b>	<b>8,479.37</b>	<b>23,614.52</b>	<b>17,534.46</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>225.46</b>	<b>491.62</b>	<b>1,383.50</b>	<b>1,483.78</b>
<b>EBITDA Margin</b>	<b>5.33%</b>	<b>5.55%</b>	<b>5.54%</b>	<b>7.81%</b>
<b>Profit/(Loss) before exceptional items and tax</b>	<b>222.66</b>	<b>490.9</b>	<b>1,382.80</b>	<b>1,480.84</b>
<b>Profit/(Loss) before tax</b>	<b>225.45</b>	<b>491.62</b>	<b>1,383.51</b>	<b>1,483.77</b>
Tax Expense				
Current Tax	54.26	114.31	352.69	374.8
Deferred Tax	6.38	-1.98	-3.95	27.51
Total Tax Expense	60.64	112.33	348.74	402.31
<b>Profit/(Loss) for the year</b>	<b>177.59</b>	<b>375.33</b>	<b>1,026.87</b>	<b>1,136.48</b>
<b>Net Profit Margin</b>	<b>4.03%</b>	<b>4.18%</b>	<b>4.11%</b>	<b>5.98%</b>

<b>Balance Sheet</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' funds</b>				
Share Capital	295	295	315.83	1,737.08
Reserve and Surplus	2,161.48	2,536.83	3,746.38	3,455.66
<b>Total Equity</b>	<b>2,456.48</b>	<b>2,831.83</b>	<b>4,062.21</b>	<b>5,192.74</b>
<b>2. non-current liabilities</b>				
Long Term Borrowings	57.11	216.81	1,675.09	1,628.09
Other non-current liabilities	-	-	-	-
Deferred Tax Liabilities (Net)	-	-	-	-
Long Term Provisions	128.77	145.43	156.23	202.26
<b>Total non-current liabilities</b>	<b>185.88</b>	<b>362.24</b>	<b>1,831.32</b>	<b>1,830.35</b>
<b>3. Current liabilities</b>				
Financial Liabilities				
Short-term borrowings	630.22	139.95	966.58	925.02
Trade payables	1,621.64	2,169.77	4,280.34	4,231.92
Due to MSME				
Due to Others				
Other Current Liabilities	210.79	255.9	420.13	430.52
Short-term Provisions	168.81	243.16	602.71	816.93
<b>Total Current liabilities</b>	<b>2,631.46</b>	<b>2,808.78</b>	<b>6,269.76</b>	<b>6,404.39</b>
<b>Total Liabilities</b>	<b>2,817.34</b>	<b>3,171.02</b>	<b>8,101.08</b>	<b>8,234.74</b>
<b>Total Equity and Liabilities</b>	<b>5,273.82</b>	<b>6,002.85</b>	<b>12,163.29</b>	<b>13,427.48</b>

<b>Balance Sheet</b>				<b>(In Lacs)</b>
<b>ASSETS</b>				
<b>1. non-current assets</b>				
Tangible Assets	1,105.39	1,153.99	2,105.79	3,052.12
Intangible Assets	0.44	1.3	0.59	0.45
Non-Current Investments		12.97	1.25	1.25
Non-current Assets	400.98	542.08	657.48	724.63
Deferred Tax Assets	108.34	106.36	102.41	129.92
<b>Total non-current assets</b>	<b>1,615.15</b>	<b>1,816.70</b>	<b>2,867.52</b>	<b>3,908.37</b>
<b>2. Current assets</b>				
Trade receivables	1,327.51	2,803.46	5,918.22	7,738.37
Cash and Bank Balances	1,760.77	960.02	1,309.51	1,070.88
Short-term loans and advances	90.82	39.15	1,334.85	53.25
Other Current Assets	479.58	383.53	733.19	656.6
<b>Total Current assets</b>	<b>3,658.68</b>	<b>4,186.16</b>	<b>9,295.77</b>	<b>9,519.10</b>
<b>Total Assets</b>	<b>5,273.83</b>	<b>6,002.86</b>	<b>12,163.29</b>	<b>13,427.47</b>

<b>Cash Flow Statement</b>				<b>(In Lacs)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
Net Cash Flow from Operating Activities	1,220.75	-281.41	-845.58	1,314.90
Net Cash Flow from Investing Activities	-314.14	-188.82	-1,289.96	-1,464.97
Net Cash Flow from Financing Activities	-381.59	-330.52	2,485.04	-88.56

<b>Ratio Sheet</b>				
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23*</b>
<b>Per Share Data</b>				
Diluted EPS	1.09	2.31	5.91	9.33
BV per share	10.32	11.89	17.06	66.12
<b>Operating Ratios</b>				
EBITDA Margins	5.33%	5.55%	5.54%	7.81%
PAT Margins	4.03%	4.18%	4.11%	5.84%
Debtor days	114.64	115.46	86.54	74.58
Creditor days	205.26	121.30	79.28	52.91
<b>Return Ratios</b>				
RoCE	1%	10%	17%	19%
RoE	7%	13%	25%	14%
<b>Valuation Ratios (x)</b>				
EV/EBITDA	6.13	4.53	3.90	3.97
Market Cap / Sales	8.28	3.95	1.40	0.92
P/E	134.86	63.64	24.87	15.76
Price to Book Value	14.25	12.36	8.62	2.22
<b>Solvency Ratios</b>				
Debt / Equity	0.28	0.13	0.65	0.49
Current Ratio	1.39	1.49	1.48	1.49
Quick Ratio	1.39	1.49	1.48	1.49
Asset Turnover	0.80	1.48	2.05	1.41
Interest Coverage Ratio	0.48	4.83	6.75	5.32

\*Ratio sheet for Sep-23 is annualized.

**Ratio Analysis:**

EBITDA Margins are almost at par with the industry average. PAT margins have shown no sign of increasing over the past three years which means overall profitability of the company has not improved.

ROE is above the industry standard, standing at an impressive 25%. A higher ROE indicates a higher level of management performance.

Asset Turnover Ratio has increased over the past 3 years from 0.8 to 2.05 which means the company is using its assets more efficiently.

Interest Coverage Ratio of 6.75x suggests that company will be able to easily service the increased interest payments due to the added long-term borrowings taken by the company in FY 2023.

Debt to Equity Ratio of 0.65 implies that company has more equity capital than debt capital component. A lower debt to equity ratio is considered favourable as it indicates lower financial risk and a stronger financial position for the company.

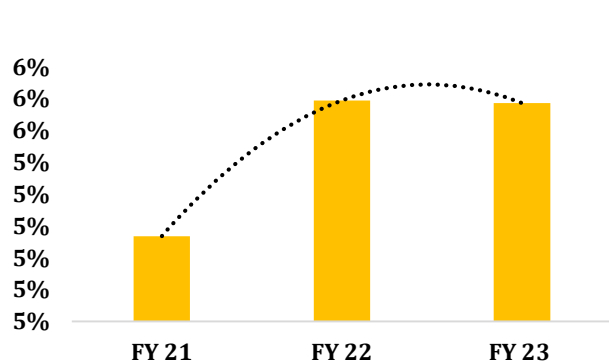
Decreasing Debtors days over the past 3 years suggests that the company is improving its efficiency in collecting payments from customers and decreasing creditor days would imply that the company is taking longer to pay its suppliers by improving their cash flow management, but it could potentially strain supplier relationships if not managed carefully. Company is uncertain about their ability to renew their contracts with their current suppliers as it is.

A low P/BV ratio of 2.22 indicates that the company might be undervalued relative to the equity/ book value. It could also reflect market concerns about the company's assets and prospects.

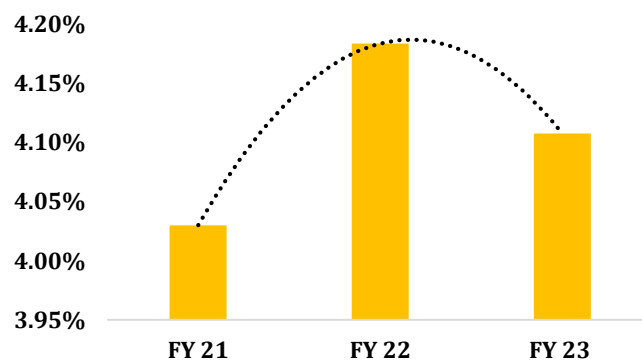
The P/E on an annualized and post-IPO basis is 15.76 times which seems to be underpriced by looking at the performance of the company and the sector. The Sector P/E is 38.4 times.

**Financial Charts**

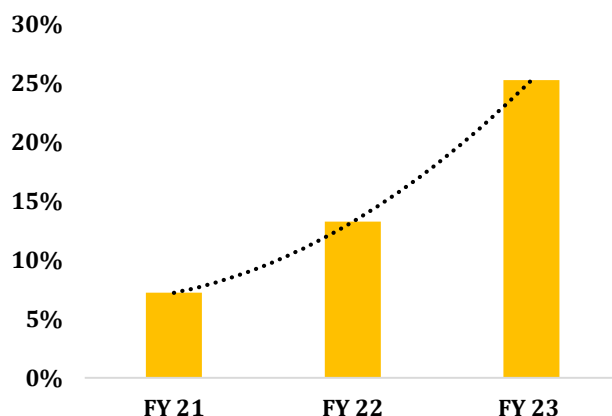
**EBITDA Margin**



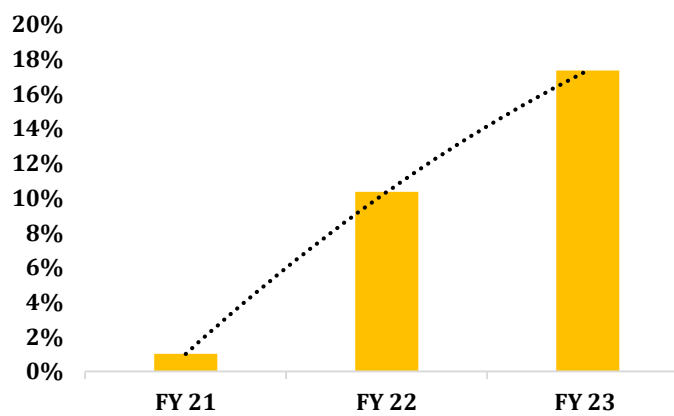
**Net Profit Margin**



**Return on Equity**



**Return on Capital Employed**



**Key Risk Factors**

1. There are outstanding Tax Proceedings against the company worth 523.39 lakh Rupees and civil as well as criminal proceedings by the company worth 54.36 lakh Rupees. (Involving the company, promoters, directors and subsidiaries)
2. Company has negative cash and cash equivalents generated during the year in the past and may, in future, experience similar negative cash flows. Company has also seen a sudden jump in operating profit from 8,970 lakh Rupees in 2022 to 24,998 lakh Rupees in 2023. Marking an unusual 178.685% increase.
3. Top 5 customers generate 25% of the revenue as of FY 2023, if they lose any of them, business revenue could be impacted.

**Track Record of Lead Manager**

The lead manager to the issue is Share India Capital Services Private Limited. A table has been set below highlighting the details of the IPO of the last 7 companies handled by the Lead Manager in recent times –

**Share India Capital Services Private Limited**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	New Swan Multitech Limited	3.11	66	January18, 2024	107
2.	Krishca Strapping Solutions Limited	17.93	54.00	May 26, 2023	250
3.	De Neers Tools Limited	22.99	101.00	May 11, 2023	222
4.	Quicktouch Technologies Limited	9.33	61.00	May 02, 2023	217
5.	A G Universal Limited	8.72	60.00	April 24, 2023	64
6.	Exhicon Events Media Solutions Limited	21.12	64.00	April 17, 2023	385
7.	Maiden Forgings Limited	23.84	63.00	April 06, 2023	108

The company has had 9 mandates in the past five years including the current Year.

\*CMP for the above-mentioned companies is taken as of 10<sup>th</sup> February 2024.

As per the offer document, from the above-mentioned table, one opened at par, one at discount and the remaining all the mandates have opened at premiums on the listing date.

### Recommendation

The company has been in the industry since 2009 and has a management with a good amount of experience in the industry.

EBITDA Margins are almost at par with the industry average. PAT margins have shown no sign of increasing over the past three years which means overall profitability of the company has not improved.

The P/E on an annualized and post-IPO basis is 15.76 times which seems to be fairly valued by looking at the performance of the company and the sector but it's essential to consider the reasons behind this apparent undervaluation. The Sector P/E is 38.4 times.

The industry in which the company operates is a highly competitive market and the company has had negative cashflows in the past, it raises concern about the company's ability to grow and capture more market share in the future. There is also a sudden increase in the top and bottom line of the company's report, it's questionable whether it's sustainable looking at the company's history. The services and business strategy which the company has are not unique in the existing competitive transport/car rental industry. Thus, keeping in mind the above-mentioned points we believe one can **AVOID** applying to this IPO.

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