



IPO Details		Company Background																																			
<b>Opening Date</b>	Dec 14, 2023	<ul style="list-style-type: none"> <li>Shree OSFM E-Mobility Limited was originally incorporated in the year 2006 and has its registered office in Maharashtra, India.</li> <li>The company is engaged in providing employee transportation services to large MNCs with a presence across major cities in India.</li> <li>The company operates with a 1475+ fleet with a variety of vehicles such as small cars, Sedans, SUVs, Luxury Cars and Buses of which 217 vehicles are owned by the company and the rest are leased from various vendors.</li> <li>As of 31<sup>st</sup> October 2023, the Company had 154 employees on its payroll.</li> </ul>																																			
<b>Closing Date</b>	Dec 18, 2023																																				
<b>Stock Exchange</b>	NSE SME																																				
<b>Lot Size</b>	2,000 Shares																																				
<b>Issue Price</b>	₹ 65 per share																																				
<b>Issue Size</b>	Aggregating up to 24.60 Cr.																																				
<b>Fresh Issue</b>	Aggregating up to 24.60 Cr.	<table border="1"> <thead> <tr> <th colspan="2">Market Capitalization</th> <th colspan="4">(In Cr.)</th> </tr> <tr> <th></th> <th>Pre-Issue</th> <th colspan="4">Post-Issue</th> </tr> </thead> <tbody> <tr> <td></td> <td>₹ 68</td> <td colspan="4">₹ 93</td> </tr> </tbody> </table>					Market Capitalization		(In Cr.)					Pre-Issue	Post-Issue					₹ 68	₹ 93																
Market Capitalization							(In Cr.)																														
	Pre-Issue						Post-Issue																														
	₹ 68	₹ 93																																			
<b>Offer for Sale</b>	-																																				
<b>Application Amount</b>	₹ 1,30,000																																				
IPO Objective		Financial Summary (In Lacs)																																			
Funding Working Capital Requirement.		<table border="1"> <thead> <tr> <th rowspan="2">For the Period Ended</th> <th>Mar-21</th> <th>Mar-22</th> <th>Mar-23</th> <th>Sep-23</th> </tr> </thead> <tbody> <tr> <td><b>Total Assets</b></td> <td>2,909.86</td> <td>2,588.41</td> <td>4,203.97</td> <td>5,019.67</td> </tr> <tr> <td><b>Net Assets</b></td> <td>1,607.99</td> <td>1,736.27</td> <td>2,045.36</td> <td>2,267.95</td> </tr> <tr> <td><b>Total Borrowings</b></td> <td>564.81</td> <td>277.66</td> <td>920.90</td> <td>1,027.33</td> </tr> <tr> <td><b>Total Revenue</b></td> <td>2,978.51</td> <td>3,079.58</td> <td>8,261.01</td> <td>5,597.09</td> </tr> <tr> <td><b>Profit After Tax</b></td> <td>73.76</td> <td>162.78</td> <td>309.09</td> <td>222.59</td> </tr> </tbody> </table>					For the Period Ended	Mar-21	Mar-22	Mar-23	Sep-23	<b>Total Assets</b>	2,909.86	2,588.41	4,203.97	5,019.67	<b>Net Assets</b>	1,607.99	1,736.27	2,045.36	2,267.95	<b>Total Borrowings</b>	564.81	277.66	920.90	1,027.33	<b>Total Revenue</b>	2,978.51	3,079.58	8,261.01	5,597.09	<b>Profit After Tax</b>	73.76	162.78	309.09	222.59	
For the Period Ended	Mar-21							Mar-22	Mar-23	Sep-23																											
	<b>Total Assets</b>						2,909.86	2,588.41	4,203.97	5,019.67																											
<b>Net Assets</b>	1,607.99	1,736.27	2,045.36	2,267.95																																	
<b>Total Borrowings</b>	564.81	277.66	920.90	1,027.33																																	
<b>Total Revenue</b>	2,978.51	3,079.58	8,261.01	5,597.09																																	
<b>Profit After Tax</b>	73.76	162.78	309.09	222.59																																	
Purchase of Passenger Vehicles.																																					
General Corporate Purpose.																																					
Pre-Issue Shareholding			Tentative Timeline																																		
Category	No. of Shares	% of Total Shares	<table border="1"> <tbody> <tr> <td><b>Opening Date</b></td> <td colspan="4">Dec 14, 2023</td> </tr> <tr> <td><b>Closing Date</b></td> <td colspan="4">Dec 18, 2023</td> </tr> <tr> <td><b>Basis of Allotment</b></td> <td colspan="4">Dec 19, 2023</td> </tr> <tr> <td><b>Initiation of Refunds</b></td> <td colspan="4">Dec 20, 2023</td> </tr> <tr> <td><b>Credit of Shares to Demat</b></td> <td colspan="4">Dec 20, 2023</td> </tr> <tr> <td><b>Listing Date</b></td> <td colspan="4">Dec 21, 2023</td> </tr> </tbody> </table>					<b>Opening Date</b>	Dec 14, 2023				<b>Closing Date</b>	Dec 18, 2023				<b>Basis of Allotment</b>	Dec 19, 2023				<b>Initiation of Refunds</b>	Dec 20, 2023				<b>Credit of Shares to Demat</b>	Dec 20, 2023				<b>Listing Date</b>	Dec 21, 2023			
<b>Opening Date</b>	Dec 14, 2023																																				
<b>Closing Date</b>	Dec 18, 2023																																				
<b>Basis of Allotment</b>	Dec 19, 2023																																				
<b>Initiation of Refunds</b>	Dec 20, 2023																																				
<b>Credit of Shares to Demat</b>	Dec 20, 2023																																				
<b>Listing Date</b>	Dec 21, 2023																																				
Promoter & Promoter Group	79,82,000	76.02%																																			
Public	25,18,000	23.98%																																			
Promoter of the Company																																					
1	Ramnath Chandar Patil																																				
2	Nitin Bhagirath Shanbhag																																				
Competitive Strengths																																					
1	Asset light business model and competitive service offerings.																																				
2	Existing well-established goodwill and client relationships																																				
3	Experienced Promoters and Management Team.																																				
4	Quality Assurance.																																				



## **Company Background and Analysis**

The Company was originally incorporated on 28, December 2006. The company is engaged in providing employee transportation services to large MNCs with a presence across major cities in India. The company has over 16+ years of experience in catering to the employee transportation needs of companies in IT/ITES, Aviation and other sectors. The company operates a largely “asset-light” engagement model.

The company operates with a 1475+ fleet with a variety of vehicles such as Small cars, Sedans, SUVs, Luxury Cars and Buses of which 217 vehicles are owned by the company and the rest is leased from various vendor. The company currently has operations in 42 sites spread across Mumbai, Navi Mumbai, Pune, Bengaluru, and Kolkata. The clients include major BPM players such as JP Morgan, Morgan Stanley, Cape Gemini, Accenture etc.

The company’s services are related to providing vehicles on hire and depending on the type of customers and their service requirements, it is classified into categories listed below –

All the services are related to the vehicle on hire and depending on the type of customers and their service requirements, it is classified in categories listed below. The company deals with their own software like MoveInSync, Routmatic etc. which are full-service independent transport management software services. This software helps the business as well as clients in scheduling, routing, billing and monitoring safety & security protocols.

1. Travel Desk Management - Travel Desk Management services are real-time and data-driven which helps to tackle unexpected challenges and optimizes travel spending for the clients. The Travel Desk Management exemplifies efficiency, personalization, sustainability, and innovation, enhancing both operational smoothness and employee contentment.
2. Roster Management Services - Roster Management Services helps the clients to efficiently organize and schedule workforce tasks. Personalized rosters cater to individual preferences and optimize productivity.
3. Logistics for Corporate Events (MICE) – The company is one of the premier providers of transport logistics for Meetings, Incentives, Conferences, and Exhibitions (MICE) events of corporates. The company ensures efficient coordination of transportation needs during events.
4. Fleet Management – The company offers seamless coordination of fleets for diverse operational needs. Tailored-made solutions ensure efficient utilization and maintenance of vehicles, enhancing productivity and cost-effectiveness.

To conclude, the company was incorporated in the year 2006. The company is engaged in providing employee transportation services to large MNCs. The company is raising total gross proceeds of Rs. 2,459.60 lakhs out of which Rs. 159.60 lakh for offer expenses, Rs. 510.85 lakh for Funding additional working capital requirements, Rs. 1,221.78 lakh for the Purchase of Passenger Vehicles, Rs. 567.37 Lakhs for General Corporate Purposes.

### Business Strategies

#### 1. Leveraging the existing client relationship to cross-sell the other offerings -

The company plans to sell its other offerings like Travel desk, On-call taxi, and holiday vehicle services to satisfied clients as well as their employees who are regularly using the company's services.

#### 2. Growing Vendor / Driver Pool -

As the clients prefer single-point contact with the least hazards, they look at service providers and take advantage of that. Thus the company intends to expand its partners viz. Vendors / Drivers.

#### 3. Inorganic Growth -

The company intends to explore the acquisition of businesses, entering into joint ventures in new geographies/verticals where considerable business opportunities would be available to grow the business.

### Competitive Scenario and Peer Mapping

#### Competition

The company faces significant competition in this Industry. The company operates in a competitive market and competition is based primarily on the quality of service and on-time services and pricing of such products & services. The company faces competition from small individual players who own one or two vehicles as well as those players who may be better capitalized, have a longer operating history, have a greater brand presence, and have better management. The company has a low barrier to entry. The bargaining power with the customers is moderate in the sector in which the company operates.

#### Peer Analysis

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

Particulars	Shree OSFM E-Mobility Limited	VRL Logistics Limited
	31st Mar 2023	31st Mar 2023
Net Profit Margin	4%	12%
EBITDA Margin	9%	15%
Return on Capital Employed	19%	15%
Return on Equity	15%	33%
EPS (INR)	2.94	36.58

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

Particulars	Shree OSFM E-Mobility Limited	VRL Logistics Limited
	31st Mar 2022	31st Mar 2022
Net Profit Margin	5%	7%
EBITDA Margin	10%	17%
Return on Capital Employed	8%	21%
Return on Equity	9%	25%
EPS (INR)	10.85	18.12



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

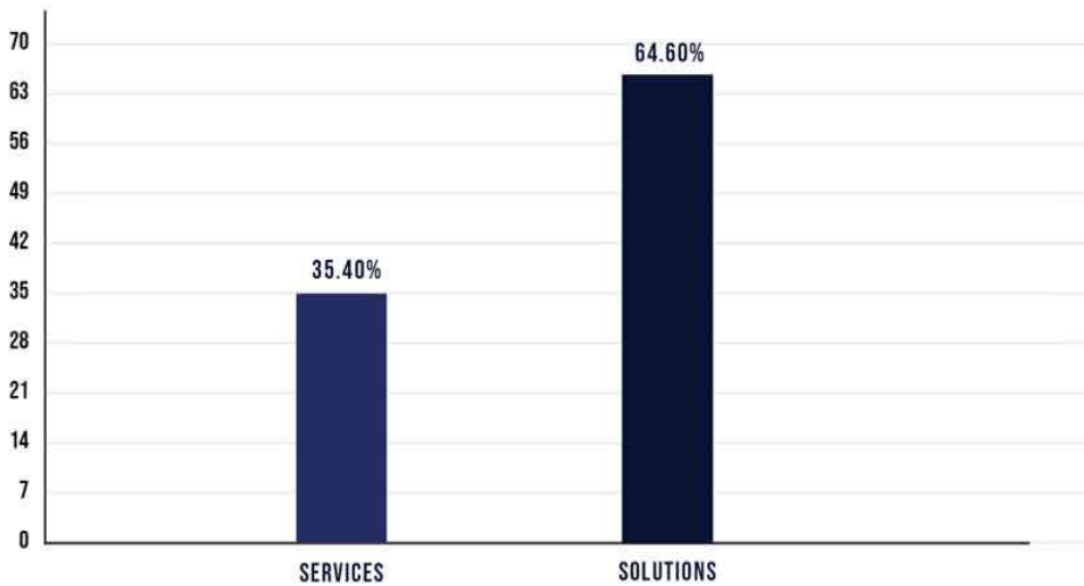
Particulars	Shree OSFM E-Mobility Limited	VRL Logistics Limited
	31st Mar 2021	31st Mar 2021
Net Profit Margin	2.5%	2.6%
EBITDA Margin	8.4%	14.1%
Return on Capital Employed	0.5%	9.4%
Return on Equity	4.6%	7.5%
EPS (INR)	4.92	5.19

**Industry Overview**

Exhibit 1: Fleet Management Market Size, 2022 to 2032 (USD billion)



Exhibit 2: Fleet Management Market Share, By Components, 2022 (%).



(Source: precedence research)



### **Fleet Management Industry in India -**

Fleet Management Industry in India part of the larger logistics industry could be classified into two verticals such as Freight Transportation and Passenger/Employee Transportation. While, Logistics Industry with Freight Transportation has been getting formalized and increasingly getting importance in a growing economy like India.

The Employee transportation a very important part of the fleet management industry is showing nascent signs of evolving into an important part of the support function for lot of companies/industries located in major cities across India. Fleet Management typically comprises of Small Cars, Sedans, Luxury Cars and Buses. Apart from the other services such as On Call taxi services and Holiday Rental Services.

Not much information is available on the market size of the Fleet Management Industry in the country. However, most players cater to the IT/ITES, Hospitality/Tourism and Aviation Sectors by providing a one stop end to end integrated transportation solution.

The Fleet Management Industry could also be called as People Logistics Industry. About 7 mn employees of various industries are provided with transportation by their Companies. Employee transportation forms the third biggest cost for companies. An estimated US \$ 2 bn is spent per year by companies on employee transportation. Employee Transportation is a challenging task for any company. It becomes an even more of a challenge in countries like India because of issues like –

- Safety & Security
- Underdeveloped infrastructure
- Regulatory framework

Due to the complexities involved in people logistics companies have outsourced this function which has given rise to the Employee Transportation Industry. The criticality of Employee Transportation increases for certain sectors because of odd shift timings and importance of on time arrivals of their employees. Key Sectors

- IT BPM – includes Captives of other sectors like BFSI, Telecom and Consulting
- Aviation

The above two sectors have contributed significantly to the growth of the employee transportation industry in the past decade.

(Source: prospectus)



## Key Managerial Personnel

**Ramnath Chandar Patil**, aged 51, is one of the Promoters, and Managing Director of the Company. He graduated in commerce stream from the University of Bombay in 1994. He has almost 20 years of experience in the field of fleet management business. He is currently responsible for formulating business growth strategies, and maintaining customer relationships for the Company.

**Nitin Bhagirath Shanbhag**, aged 62, is one of the Promoters, and Whole-Time Director of the company. He completed graduation in Commerce from K J Somaiya College of Arts & Commerce in 1982. He has also studied till the 3rd semester of his MBA in marketing. He has almost 20 years of experience in the field of fleet management business. At OSFM, he is currently responsible for managing the day-to-day functioning of the Company.

**Abhishek Agarwal**, aged 31, is the Independent Director of the Company. He is a qualified Chartered Accountant and has also completed CFA Level 3 from CFA Institute. He has over 5 years of experience in the field of finance and Investment Banking. He has been on the Board since June 08, 2023.

**Ravikant Moreshwar Mhatre**, aged 52, is the Independent Director of the company. He has completed his B.Com. He has experience of more than 20 years in the supply of sports merchandising. He has his own business of sourcing quality sports merchandising from the manufacturers and supplying them to education institutes. He has been on the Board of Directors since June 08, 2023, to comply with Corporate Governance requirements.

**Sangita Bhamesh Kamble**, aged 52, is the Non-Executive Independent Director of the Company. She has completed her B.Com. She has also passed CA Intermediate Examinations held by ICAI. She has also passed all sections of Uniform CPA Examinations and AICPA's Ethics Examination. She has over 2 decades of experience in the field of Finance, Accounts and Financial reporting. She has been appointed as independent director w.e.f. June 08, 2023, to comply with corporate governance requirements.

To conclude, the company has 2 promoters and they have vast experience in the industry in which the company operates. The remaining Directors of the company have good knowledge and experience in their respective fields.



**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	2,918.66	3,030.19	8,211.30	5,572.39
Other Income	59.85	49.39	49.71	24.7
<b>Total Income</b>	<b>2,978.51</b>	<b>3,079.58</b>	<b>8,261.01</b>	<b>5,597.09</b>
<b>Expenses</b>				
Operating Expenses	2,380.60	2,364.74	6,851.77	4,563.85
Employee benefits expense	195.72	232.55	427.34	231.69
Finance costs	13.40	5.06	71.22	30.52
Depreciation and Amortization expense	236.57	167.98	338.97	350.72
Other expenses	96.79	121.35	157.94	62.81
<b>Total Expenses</b>	<b>2,923.08</b>	<b>2,891.68</b>	<b>7,847.24</b>	<b>5,239.59</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>245.55</b>	<b>311.55</b>	<b>774.25</b>	<b>714.04</b>
<b>EBITDA Margin</b>	<b>8%</b>	<b>10%</b>	<b>9%</b>	<b>13%</b>
<b>Profit/(Loss) before tax</b>	<b>55.43</b>	<b>187.90</b>	<b>413.77</b>	<b>357.50</b>
Tax Expense				
Provision for Taxation	22.03	58.58	122.20	115.86
Provision for Deferred Tax	-40.36	-33.46	-17.52	19.05
Total Tax Expense	-18.33	25.12	104.68	134.91
<b>Profit/(Loss) for the year</b>	<b>73.76</b>	<b>162.78</b>	<b>309.09</b>	<b>222.59</b>
<b>Net Profit Margin</b>	<b>2%</b>	<b>5%</b>	<b>4%</b>	<b>4%</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	150.00	150.00	1,050.00	1,050.00
Reserve and Surplus	1,457.99	1,586.27	995.36	1,217.95
<b>Total Equity</b>	<b>1,607.99</b>	<b>1,736.27</b>	<b>2,045.36</b>	<b>2,267.95</b>
<b>2. non-current liabilities</b>				
Long Term Borrowings	310.09	86.96	279.52	559.39
<b>Total non-current liabilities</b>	<b>310.09</b>	<b>86.96</b>	<b>279.52</b>	<b>559.39</b>
<b>3. Current liabilities</b>				
Financial Liabilities				
Short-term borrowings	254.72	190.70	641.38	467.94
Trade payables	477.28	360.15	786.52	1,061.28
Other Current Liabilities	100.16	108.13	292.38	388.44
Short-term Provisions	159.62	106.20	158.81	274.67
<b>Total Current liabilities</b>	<b>991.78</b>	<b>765.18</b>	<b>1,879.09</b>	<b>2,192.33</b>
<b>Total Liabilities</b>	<b>1,301.87</b>	<b>852.14</b>	<b>2,158.61</b>	<b>2,751.72</b>
<b>Total Equity and Liabilities</b>	<b>2,909.86</b>	<b>2,588.41</b>	<b>4,203.97</b>	<b>5,019.67</b>
<b>ASSETS</b>				
<b>1. non-current assets</b>				
Property, Plant and Equipment				
Tangible Assets	452.93	199.09	437.96	575.51
Non-Current Investments	1,017.58	820.80	789.78	833.84
Long-term Loans and Advances	8.18	5.76	10.36	16.14
Deferred Tax Assets	89.61	123.07	140.59	121.54





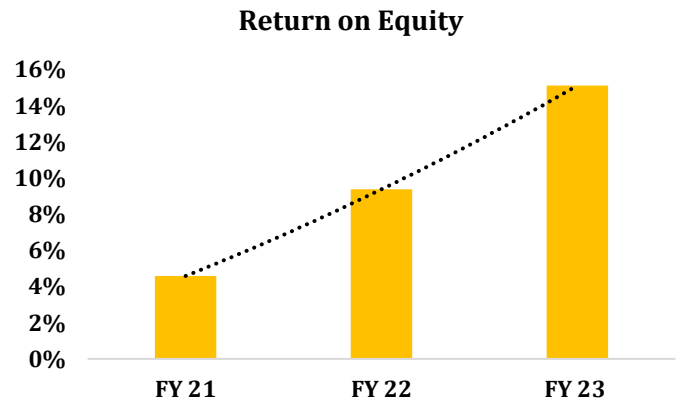
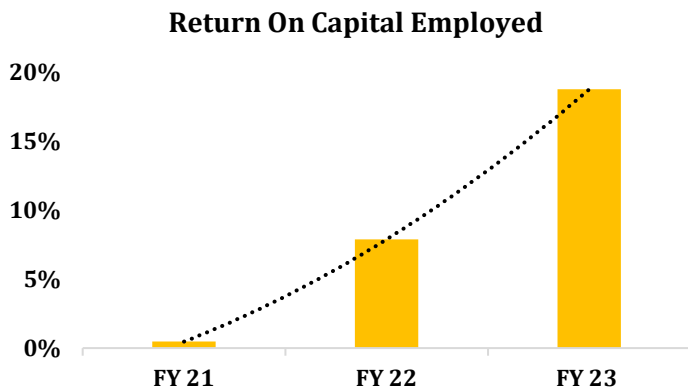
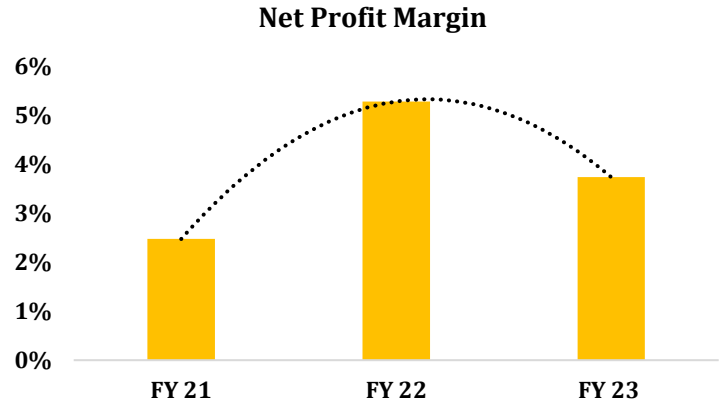
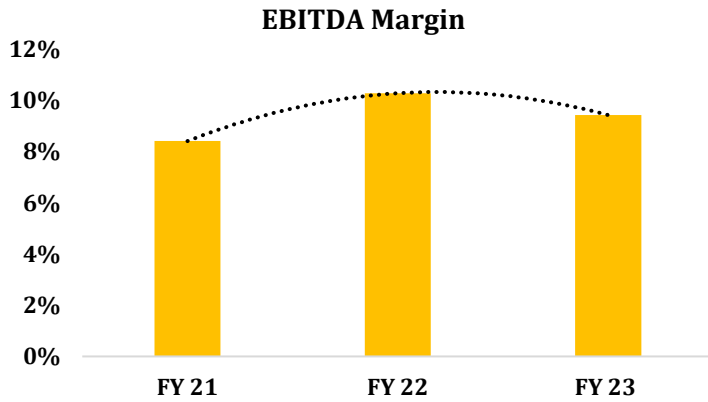
<b>Balance Sheet</b>					<b>(In Lacs)</b>
<b>Total non-current assets</b>	<b>1,568.30</b>	<b>1,148.72</b>	<b>1,378.69</b>	<b>1,547.03</b>	
<b>2. Current assets</b>					
Inventories	-	-	-	-	
Trade receivables	733.14	598.67	1,213.11	1,253.73	
Cash and Bank Balances	158.72	112.54	115.72	343.87	
Short-term loans and advances	449.70	439.35	562.15	877.56	
Other Current Assets	-	289.13	934.30	997.48	
<b>Total Current assets</b>	<b>1,341.56</b>	<b>1,439.69</b>	<b>2,825.28</b>	<b>3,472.64</b>	
<b>Total Assets</b>	<b>2,909.86</b>	<b>2,588.41</b>	<b>4,203.97</b>	<b>5,019.67</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	953.01	35.02	-67.13	665.65
Net Cash Flow from Investing Activities	-979.23	211.01	-501.71	-513.42
Net Cash Flow from Financing Activities	-742.25	-292.21	572.02	75.91

<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	4.92	10.85	2.94	3.66
BV per share	11.26	12.16	14.32	35.20
<b>Operating Ratios</b>				
EBITDA Margins	8.41%	10.28%	9.43%	12.81%
PAT Margins	2.48%	5.29%	3.74%	4.67%
Inventory days	-	-	-	-
Debtor days	91.68	72.11	53.92	41.17
Creditor days	73.18	55.59	41.90	42.55
<b>Return Ratios</b>				
RoCE	0%	8%	19%	12%
RoE	5%	9%	15%	10%
<b>Valuation Ratios (x)</b>				
EV/EBITDA	8.20	6.10	3.68	3.97
Market Cap / Sales	3.18	3.06	1.13	0.83
P/E	13.21	5.99	22.11	17.74
Price to Book Value	5.77	5.35	4.54	1.85
<b>Solvency Ratios</b>				
Debt / Equity	0.35	0.16	0.45	0.45
Current Ratio	1.35	1.88	1.50	1.58
Quick Ratio	1.35	1.88	1.50	1.58
Asset Turnover	1.00	1.17	1.95	1.11
Interest Coverage Ratio	0.67	28.37	6.11	11.90

\*Ratio sheet for Sep-23 is annualized.

**Financial Charts**



**Key Risk Factors**

1. The Company has certain outstanding legal proceedings involving the company amounting to Rs. 75.92 lakhs which may adversely affect the business, financial condition and results of operations.
2. The Company had negative cash flow from operating activity in recent fiscal 2023.
3. The Company has several Contingent Liability and Commitments amounting to Rs. 16.15 lakhs which if materialize could affect the financial position.

**Track Record of Lead Manager**

The lead manager to the issue is First Overseas Capital 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 –

**First Overseas Capital Limited –**

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Shanthala FMCG Products Limited	16.07	91.00	November 03, 2023	105.00
2.	On Door Concepts Limited	31.18	208.00	November 01, 2023	189.00
3.	Pyramid Technoplast Limited	153.05	166.00	August 29, 2023	196.00
4.	Synoptics Technologies Limited	54.03	237.00	July 13, 2023	132.00
5.	Cell Point (India) Limited	50.34	100.00	June 28, 2023	41.3
6.	Kore Digital Limited	18.00	180.00	June 14, 2023	421.00
7.	Nirman Agri Genetics Limited	20.30	99.00	March 28, 2023	284.00
8.	SVJ Enterprises Limited	6.12	36.00	March 09, 2023	51.8
9.	Amanaya Ventures Limited	2.76	23.00	March 09, 2023	14.4
10.	Duacol Organics and Colours Limited	31.51	78.00	January 19, 2023	123.00

\*CMP for the above-mentioned companies is taken as of 13<sup>th</sup> December 2023.

As per the offer document, First Overseas Capital Limited has had 18 mandates in the last three years (including the current year). For First Overseas Capital Limited, 1 opened at par, 1 opened at discount, and all the remaining mandates have opened at premiums on the listing date.



### Recommendation

The company has been in the industry since 2006 and has good experience in the industry. The company's management overview is satisfactory. The company also faces significant competition in the industry.

The P/E on a post-IPO basis is 18.38 times which seems to be slightly highly priced by looking at the performance of the company.

The company has seen exponential growth in the top line and bottom line of its financials which may not be sustained going forward. The company has also had negative operating cashflows details of which are given in the risk factors of this report. The company does not provide any unique services. The company does not also have any unique strategies planned to drive future growth. Thus, we believe there is no harm in avoiding this IPO. Thus, we recommend **AVOID** applying to this IPO.



### **Disclaimer**

We are not registered research analysts with SEBI and are not subject to the regulations governing research analysts. This research report is for educational purposes only and should not be construed as investment advice. The information contained in this report is based on publicly available information and is believed to be reliable, but no representation or warranty, express or implied, is made as to its accuracy or completeness. Also, some of the employees of our organization may have or may in the future hold investments in the company that is the subject of this research report. This may create a conflict of interest, and you should be aware of this when considering the information contained in this report. You should consult with your financial advisor before making any investment decisions.