

# Ecos India Mobility and Hospitality Ltd

## Rating reaffirmed at 'Crisil BBB+/Stable'

### Rating Action

<b>Total Bank Loan Facilities Rated</b>	<b>Rs 5 crore</b>
<b>Long Term Rating</b>	<b>Crisil BBB+/Stable (Reaffirmed)</b>

*Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

*1 crore = 10 million*

*Refer to annexure for Details of Instruments & Bank Facilities*

### **Detailed rationale**

Crisil Ratings has reaffirmed its 'Crisil BBB+/Stable' rating on the long-term bank facility of Ecos India Mobility and Hospitality Ltd (EIMHL; part of the Ecos India group).

The rating continues to reflect the stable business risk profile of the group supported by growth in revenue and moderation in Earnings before interest, tax, depreciation and amortization (EBITDA) margins. Operating income has grown 18% to Rs 654 crore in fiscal 2025 from Rs 555 crore in fiscal 2024, driven by increased share of revenue from existing customers. Going forward, operating income is expected to grow 5-10% in fiscal 2026. EBITDA has moderated to 14% in fiscal 2025 from 16.3% in fiscal 2024 because of change in the segment mix from which the group has derived revenue in fiscal 2025. Sustained increase in revenue, while maintaining EBITDA at 14-15%, will remain a key monitorable.

The rating reflects the established market position and network of clientele and healthy financial risk profile. These strengths are partially offset by its exposure to intense competition.

### **Analytical approach**

Crisil Ratings continues to consolidate the business and financial risk profiles of EIMHL, Ecreate Events Pvt Ltd, Eco Car Rental Services Pvt Ltd and Consultrans Technology Solutions Pvt Ltd as these are subsidiaries of EIMHL.

Crisil Ratings has also consolidated the business and financial risk profile of Ecos Fleet Management Services Pvt Ltd with the above entities. Incorporated on June 12, 2025, Ecos Fleet Management Services Pvt Ltd rents and leases motor vehicles, providing comprehensive vehicle rental solutions to individuals and organisations.

### **Key rating drivers and detailed description**

#### **Strengths:**

**Established market position and network of clientele:** The promoters have experience of more than two decades in specialised consumer services that has given them a strong understanding of the market dynamics and enabled them to establish healthy relationships with vendors and customers. The group operates through its own brand- ECO Rent-A-Car, and provides corporate cab services, car rental and business-to-consumer (B2C) services, backed by efficient fleet management and diversified operations. The group has contracts with its clients for 2-3 years which are regularly renewed. All contracts have a fuel escalation clause available which also supports the group's operating profitability.

**Healthy financial risk profile:** The group's capital structure has been healthy because of lower reliance on external funds. Net worth and gearing were Rs 221 crore and 0.03 time, respectively, as on March 31, 2025 (Rs 177 crore and 0.12 time, respectively, as on March 31, 2024). The debt protection metrics have also been healthy on account of low leverage and healthy profitability. The interest coverage and net cash accrual to adjusted debt (NCAAD) ratios were 54 times and 11 times,

respectively, in fiscal 2025. The financial risk profile is expected to improve in the near term, driven by no debt-funded capital expenditure (capex) and healthy accretion to reserves.

**Weakness:**

**Exposure to intense competition:** The group competes with Carzonrent, Orix-RAC, WTI cabs and Avis India in the car rental segment. Though high competition has moderately impacted the car rental business, the group has built a healthy clientele over the past decade and has invested in technology and customer acquisition to competently deal with competitors. The group regularly adds new customers, resulting in increased scale of operations. The group's ability to improve its market position in the car rental business will remain a key rating sensitivity factor.

**Liquidity: Adequate**

Expected net cash accrual of Rs 70-80 crore is sufficient to meet incremental working capital requirement and cater to its debt obligation of only Rs 6 crore in fiscal 2026. There will be no debt obligation from fiscal 2027. Bank limit utilisation was nil during the 12 months through April 2025. The current ratio is estimated to be 2.33 times as on March 31, 2025. The group had unencumbered cash and fixed deposits of Rs 105.7 crore as on March 31, 2025.

**Outlook: Stable**

Crisil Ratings believes the Ecos India group will continue to benefit from the extensive experience of its promoters and established relationships with clients.

**Rating sensitivity factors**

**Upward factors**

- Sustained improvement in the scale of operations and stable operating margin of around 14%, leading to higher cash accrual
- Sustenance of comfortable financial risk profile

**Downward factors**

- Decline in operating profitability to below 10% or decline in scale of operations leading to lower-than-expected net cash accrual
- Any large debt-funded capex weakening the capital structure

**About the group**

EIMHL was incorporated in 1996. It is engaged in the business of car rental, tour operations, events management and other allied services. EIMHL is owned and managed by Mr Rajesh Loomba, Mr Aditya Loomba and Mrs Chanchal Loomba.

Ecreate Events Pvt Ltd is a fully owned subsidiary of EIMHL and was incorporated on June 21, 2011. The company is involved in the event management business.

Eco Car Rental Services Pvt Ltd is a fully owned subsidiary of EIMHL and was incorporated on April 9, 2015. It is involved in supporting auxiliary transport activities.

Consultrans Technology Solutions Pvt Ltd was incorporated on August 24, 2021 and is a fully owned subsidiary of EIMHL.

Ecos Fleet Management Services Pvt Ltd was incorporated on June 12, 2025 and is a fully owned subsidiary of EIMHL.

**Key financial indicators\***

As on / for the period ended March 31		2025	2024
Operating income	Rs crore	654	547
Reported profit after tax (PAT)	Rs crore	60	62.5
PAT margin	%	9.2	11.28
Adjusted debt/adjusted networkth	Times	0.03	0.12
Interest coverage	Times	54	32.3

\*Crisil-adjusted financials

**Any other information:** Not applicable

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

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**Annexure - Details of Instrument(s)<<REMOVE\_EMPTY\_MAIL\_MERGE>>**

ISIN	Name Of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Overdraft Facility	NA	NA	NA	5.00	NA	Crisil BBB+/Stable

**Annexure – List of entities consolidated**

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Ecos India Mobility and Hospitality Ltd	100%	Holding company
Ecreate Events Pvt Ltd	100%	Subsidiary company
Eco Car Rental Services Pvt Ltd	100%	Subsidiary company
Consultrans Technology Solutions Pvt Ltd	100%	Subsidiary company
Ecos Fleet Management Services Pvt Ltd	100%	Subsidiary company

### Annexure - Rating History for last 3 Years

Instrument	Type	Current		2025 (History)		2024		2023		2022		Start of 2022
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	5.0	Crisil BBB+/Stable	--	--	01-04-24	Crisil BBB+/Stable	08-11-23	Crisil BB+/Stable (Issuer Not Cooperating)*	19-09-22	Crisil BBB-/Stable	--
			--	--	--	21-02-24	Withdrawn (Issuer Not Cooperating)*		--		--	--

All amounts are in Rs.Cr.

### Annexure – Details of Bank Lenders/Facilities

Facility	Amount (Rs. Crore)	Name of Lender	Rating
Overdraft Facility	5	Kotak Mahindra Bank Limited	Crisil BBB+/Stable

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