ANALYSIS OF CORPORATE MOBILITY MARKET IN INDIA

Original: 27.03.2024
Update: 09.08.2024

Contents

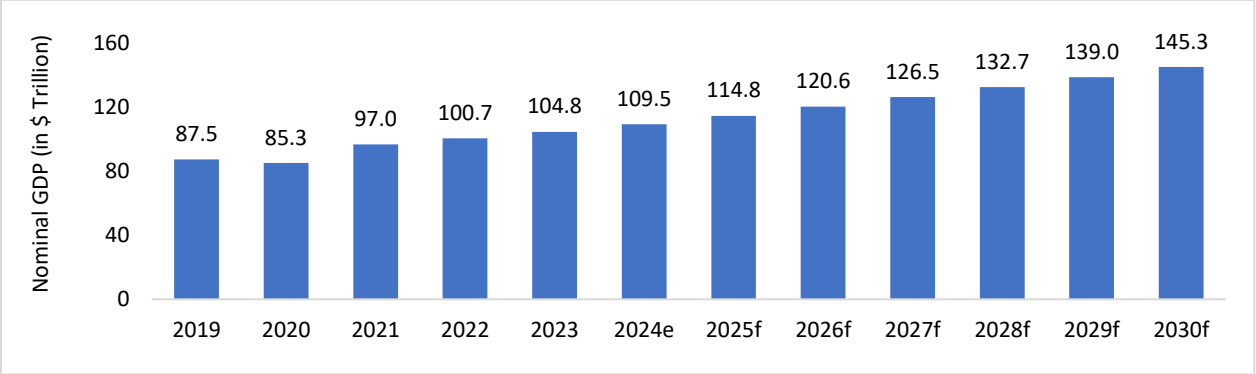
1. INDIA ECONOMIC ANALYSIS

1.1. Gross Domestic Product (GDP) Growth Outlook

1.1.1. Global GDP Growth Outlook

Global nominal GDP is expected to surpass $145 trillion by CY2030, compared to $87 trillion in CY2019, posting a compounded annual growth rate (CAGR) of 4.3%. The United States (US) with $36.3 trillion, China with $26.1 trillion, and India with $7.1 trillion will be the top three economies by CY2030, accounting for 48% of the world economy.

Exhibit 1: Nominal GDP ($ Trillion), Global, CY2019-CY2030f



e: estimates; f: forecasts. Sources: International Monetary Fund (IMF), Frost & Sullivan

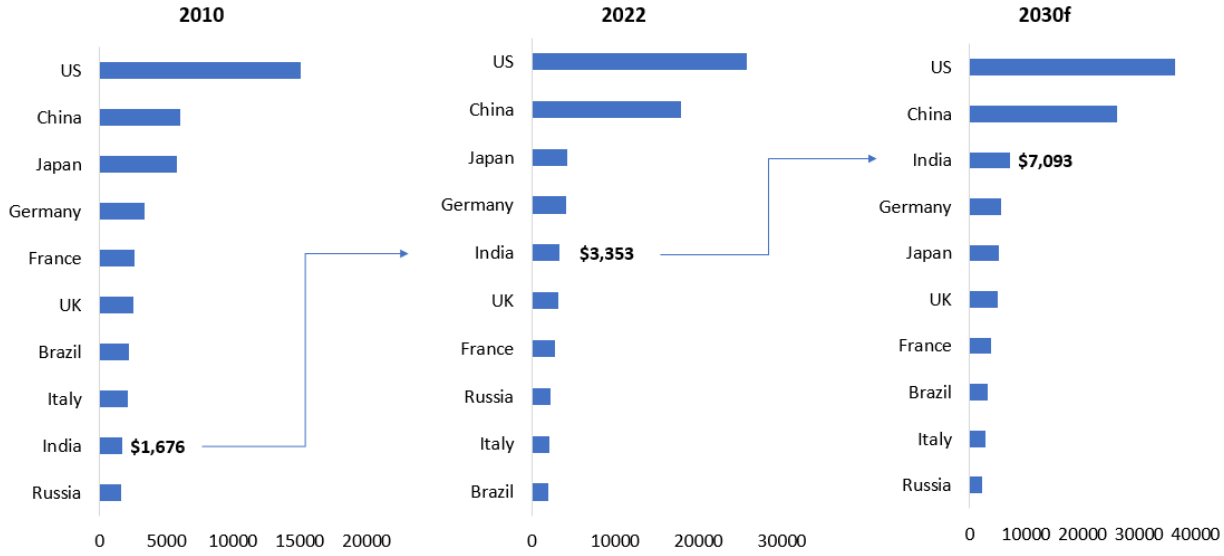
In the near-term, global real GDP growth is likely to remain steady at 3.2% in CY2024, following a 3.2% expansion in CY2023. Inflationary pressures and tight credit conditions continue to weigh on consumer demand. Additionally, exogeneous shocks from sustained supply chain disruptions, multiple geopolitical conflicts, and extreme climate change incidents could continue to exert upward price pressures. Advanced economies are expected to grow by 1.7%, while emerging market and developing economies are set to grow by 4.2% in CY2024. As advanced economies see subdued growth in CY2024 and possibly CY2025, Asia Pacific nations like India, the Philippines, and Vietnam along with Gulf Cooperation Council nations such as Kuwait, Saudi Arabia, and the United Arab Emirates will emerge as near-term growth frontrunners.

1.1.2. Country Comparison

Major advanced nations such as the US, Germany, the United Kingdom (UK), and France are likely to see long-term real GDP growth in the range of between 1.5%-2.0% per annum. The US economy is likely to grow by 2.0% in 2024 as the steady government and consumer spending coupled with receding price pressures buoy growth momentum. Over CY2025-CY2030, however, real GDP growth will remain steady at 2.0% annually. Policies such as the Bipartisan Infrastructure Law, Inflation Reduction Act, and CHIPS Act (Creating Helpful Incentives to Produce Semiconductors) will drive reshoring and nearshoring trends within the US. Germany's GDP growth for CY2024 is forecast at 0.2% amidst a slowdown in global exports and softer demand conditions in China. The thrust on defense spending and long-term investments in digital infrastructure, smart manufacturing, and sustainability will be key growth expansion areas, while changing labor and immigration policies will ensure a rise in skilled labor availability in the long run.

China's nominal GDP grew from $1.2 trillion in CY2000 to $14.3 trillion in CY2019, posting an annual average growth rate of 13.6%. However, the country will see a deceleration in long-term growth, with its real GDP growth forecast to average 3.7% between CY2024 and CY2030, compared to 5.8% in the CY2015-CY2023 period.

Exhibit 2: Top 10 Countries by Nominal GDP ($ Billion), Global, CY2010, CY2022, and CY2030f



f: forecast; Sources: IMF, Frost & Sullivan

India's nominal GDP will surpass the $7 trillion mark, posting a CAGR of 7.5% in the CY2010-CY2030 period. India has emerged as a bright spot in the global economy, especially post-pandemic. Domestic demand is a key growth driver for India, supported by the country's demographic dividend, growing middle class, and investment efforts. With a strong growth outlook of ~6.5% until CY2030, India is poised to overtake Germany and Japan to become the 3rd largest economy globally before the end of the decade.

1.1.3. India GDP Growth Outlook

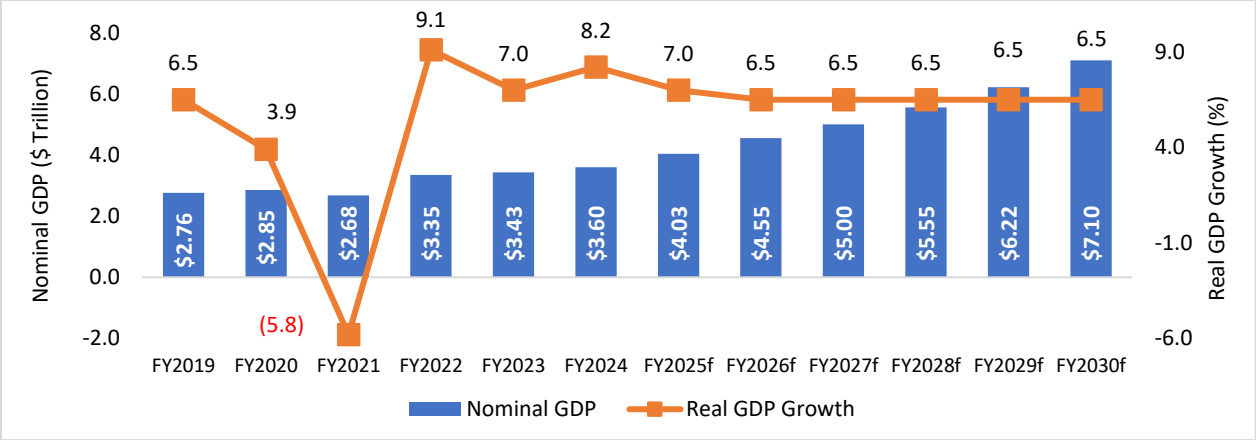
Amidst recessionary fears in some advanced economies and China's uneven economic recovery, India has emerged as a global growth frontrunner. India's robust growth outlook and conducive policy environment have helped attract sizable foreign investments in recent years, especially amidst the rising China+1[1] strategy focus among global businesses.

Following an upbeat estimated growth of 8.2% in FY2023-24, India's growth is forecast to moderately slow down to 7.0% in FY2024-25, which is still comparatively high on a global basis. Domestic macroeconomic stability in terms of financial sector resilience, strong consumer demand, and ample forex reserves will support growth momentum in CY2024. However, geopolitical uncertainties, particularly those impacting global energy and commodity markets, will likely lead to spillover effects in the form of imported inflation, high fiscal deficit, and trade challenges for India in CY2024.

[1] China+1 strategies refer to the ongoing trend of global firms finding alternative procurement and manufacturing markets within Asia, especially given the massive disruptions resulting from the long-drawn US-China trade war and stringent COVID lockdowns.

Moreover, an elevated interest rate environment will weigh on near-term credit and investment growth, locally.

Exhibit 3: Nominal GDP ($ Trillion) and Real GDP Growth (%), India, FY2019-FY2030f



Note: Fiscal Year (FY) 2019 refers to the period from 1 April 2018 to 31 March 2019. f: forecasts; Sources: IMF, National Statistics Office (NSO); Frost & Sullivan

1.2. India Socioeconomic Outlook

1.2.1. India GDP Per Capita

India's vision to be the world's third largest economy by CY2030 will require the adoption of multi-industry transformative policies at the corporate and government levels. This will facilitate consistent growth of the country's per capita GDP levels over the long-term. As opposed to growing at a CAGR of 4.8% between FY2019 and FY2024, India's per capita GDP is expected to grow at a CAGR of 9.4% between FY2025 and FY2030. This uptick in per capita GDP levels will be supported by an acceleration in industrial innovation, implementation of business-friendly reforms, strengthening supply chains, and expansion of an entrepreneurial ecosystem. Further, India's services industry will play a crucial role in its growth story – with its estimated value reaching $3.5 trillion (50% of total GDP) by CY2030. Development of economies of scale that leverage technological advancements and emerging technologies such as AI, blockchain, and robotics will bolster productive capacities of the services sector. A burgeoning services sector will also change employment dynamics within India, with digital services, financial services, retail, hospitality, healthcare, renewable energy, and e-commerce being at the forefront of employment generation.

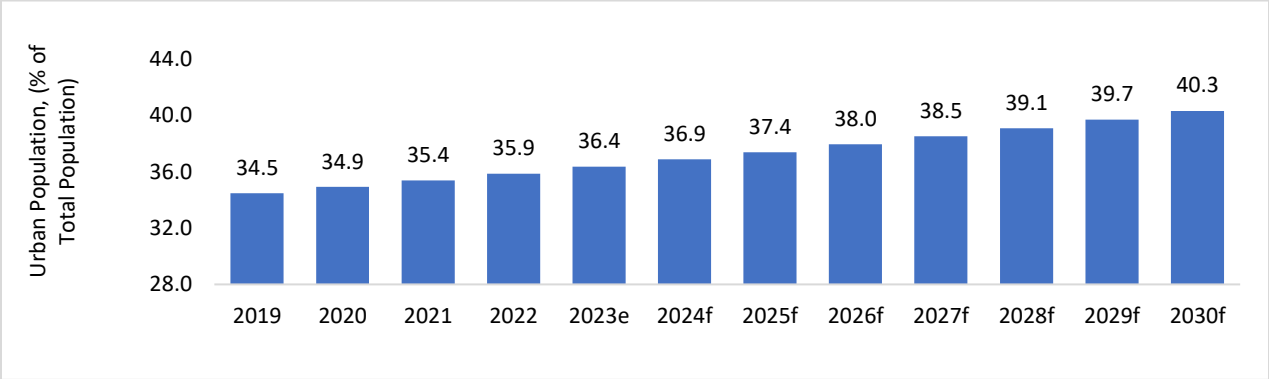
These increased employment opportunities will lead to the growth of income levels which, in turn, will support demand for personal vehicle ownership. However, increased income levels will also bring about greater convergence of transportation technologies with wider accessibility. This will expand the usage of shared mobility applications such as carsharing, ride sourcing, micro mobility (shared 2-wheelers), and pop-up (short term) bus services. This is particularly evident in India, where a growing share of the population prefers the convenience provided by shared mobility services as opposed to driving privately owned cars.

Exhibit 4: Growth in GDP Per Capita ($), India, FY2019-FY2030f

Note: Fiscal Year (FY) 2019 refers to the period from 1 April 2018 to 31 March 2019. f: forecasts; Sources: IMF; Frost & Sullivan

1.2.2. India Urban Population

Exhibit 5: Growth in Urban Population (% of Total Population), India, CY2019-CY2030f



e: estimates; f: forecasts; Sources: World Bank; Frost & Sullivan

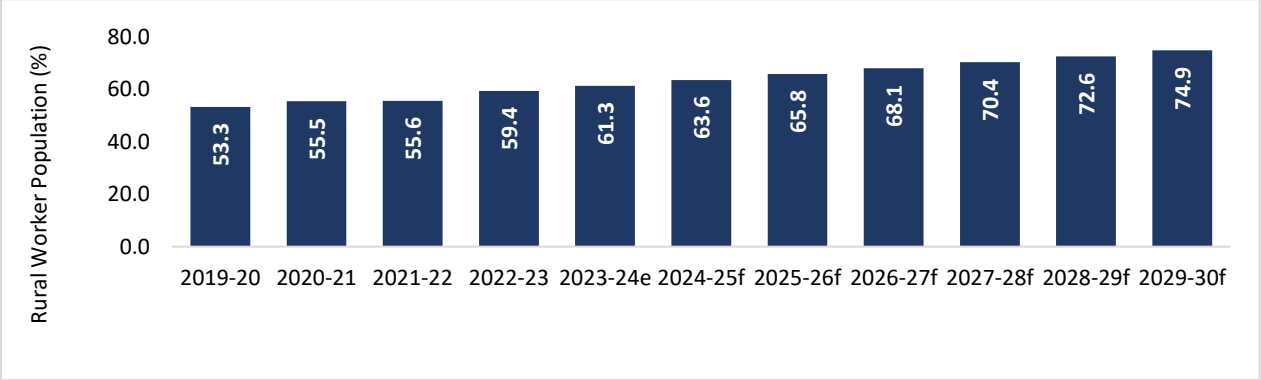
India will see massive urban transformation over the next decade as the country undergoes nationwide socioeconomic development. The growth of mega and smart cities will propel India's urban population (as a % of total population) to past 40% - approximately 625 million persons - by CY2030.

A growing urban population, coupled with urban development and economic growth, will boost emphasis on the establishment of traffic control rules, sustainability guidelines, and vehicular emission standards. In this scenario, shared mobility services such as ride-hailing (2- and 4-wheelers), carpooling, and shared e-scooters and bikes will gain traction, particularly in areas with inadequate public transport networks. Shared mobility services can bridge the mobility gap in efficient, cost-effective, and environmentally friendly ways. Further, as urban populations increase, shared mobility sub-segments such as free-floating and on-demand mobility will expand. The integration of these services with urban transport systems will make them more accessible to the public through multimodal transport ecosystem development.

A rising urban population will also be characterized by a significant elderly population cohort. This will impact demand for autonomous driving vehicles and promote the growth of shared mobility services such as buses, cars, and vans that cater exclusively to the needs of the aged population.

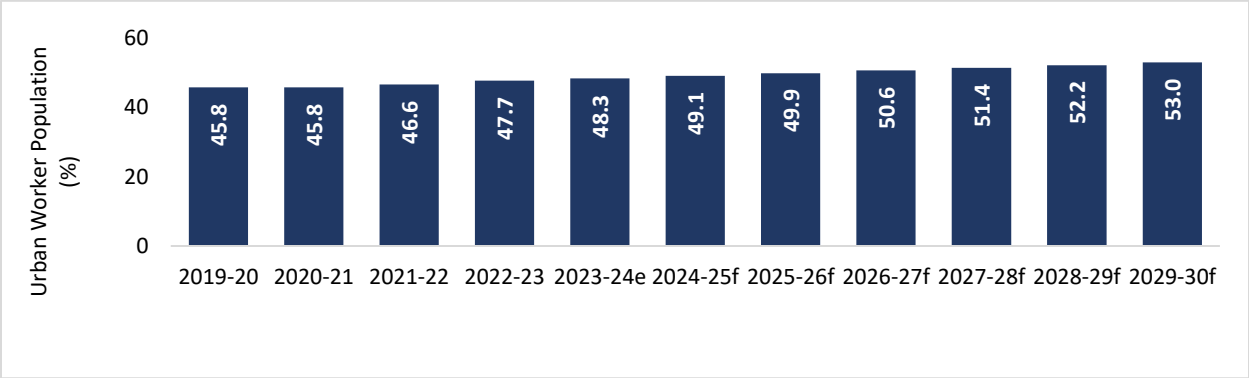
1.2.3. India Rural and Urban Worker Population

Exhibit 6: Rural Worker Population (%), India, 2019-20: 2029-30f



Note: Rural worker population indicates the share of employed population in rural India. e: estimates, f: forecasts; Sources: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023; Frost & Sullivan

Exhibit 7: Urban Worker Population (%), India, 2019-20: 2029-30f



Note: Urban worker population indicates the share of employed population in urban India. e: estimates, f: forecasts; Sources: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023; Frost & Sullivan

As India industrializes and undergoes rapid economic development, the creation of job opportunities across high-growth industries such as infrastructure, construction, logistics, mobility, and manufacturing will encourage a greater influx of workers within the ambit of formal employment in rural and urban areas.

The share of employed population in rural India will likely increase to ~75% by 2029-2030f, while the share of employed population in urban areas is expected to reach 53% by 2029-2030f. The higher number of employed people in rural areas compared to urban areas is mainly due to the greater number of jobs being created with low educational requirements across sectors like agriculture, construction, trade, and restaurants.

These growing employment figures across rural and urban India will bolster mobility growth, including shared mobility, in the country. In urban areas, rising employment will push up demand for automotives and corporate sponsored mobility services. Rising female employment will particularly impact the demand for point-to-point corporate sponsored mobility services and multimodal transport modes that are affordable, safe, and flexible.

1.2.4. Rise of Tier 2 & 3 Cities in India: Policies and Initiatives

Tier 2 and Tier 3 cities are emerging as trade, commerce, and technology hubs, as India prioritizes inclusive and equitable socioeconomic development. Surat's Diamond Bourse, Nagpur's $289.2 million multi-modal international cargo hub, the Imphal Smart City Project, and the $1.5 billion Navi Mumbai development project are a few examples that point towards the massive potential within India's Tier 2 and Tier 3 cities. Factors contributing to this growth momentum are:

Urban Infrastructure Development Fund (UIDF): The Indian government has established an $1.2 billion UIDF – a critical initiative that will bolster the progress of multilateral urban infrastructure across 459 Tier 2 cities and 580 Tier 3 cities over the long-term. This nationwide initiative will streamline and expedite access to vital financial resources necessary for undertaking urban infrastructure projects, bolstering the growth of commercial and business activities in these cities.

MSMEs: With access to a large, digitally skilled talent pool at competitive costs and comparatively lower real estate rentals, Tier 2 and 3 cities are gradually emerging as start-up powerhouses in sectors such as finance, healthcare, logistics, and warehousing across the MSME space.

Internet Penetration: Growth of the digital economy through greater 5G adoption, expansion of fiber optic network connectivity, and lower data costs is encouraging an increase in e-commerce activities and powering the acceleration of Agritech, Fintech, MedTech, and EduTech services, thus helping transform Tier 2 and Tier 3 cities into demand and investment hotspots.

Poverty Alleviation Programs: Multidimensional poverty has witnessed a modest decrease across rural India over the last few years. Growing base real wages, an expanding formal employment sector, and supportive government schemes that encourage demand generation, harness local resources, and promote operational productivity are increasing income levels in Tier 2 and Tier 3 Indian cities.

The emergence of these cities as growth centers will also lead to corporate migration, thus increasing the demand for corporate mobility, real estate, and logistics services. Sustained expansion of business ecosystems in Tier 2 and Tier 3 cities, continuous rollout of 5G services, optimization of corporate functions to adapt to hybrid work models, and economic benefits such as cheap real estate and access to a massive talent pool at low costs, are enabling several information technologies (IT) and information technology enabled services (ITES) companies in India to move to non-metros. This decentralization of technology companies to Tier 2 and Tier 3 cities will particularly impact the demand for corporate mobility services in these regions. Intermediate paratransit modes such as ride-hailing services which include ride sourcing, carsharing, and ride-splitting will exhibit significant growth over the next few years as increased commercialization of Tier 2 and Tier 3 cities attract more medium and large corporate operations. To meet this surge in travel demand, niche sub-segments within the corporate mobility such as Employee Transportation Services for home office pickups and drops and Chauffeur-driven Car Rental services for local and outstation visitors will witness an increase.

1.2.5. Growth of Tier 2 and Tier 3 Cities

As India's start-up ecosystem continues to transform, Tier 2 and 3 cities are also emerging as front-runners to growth and innovation. The expansion of digital and physical infrastructural facilities,

availability of government policies, and a growing talent pool are the key factors contributing to the promotion of the start-up ecosystem within India's Tier 2 and 3 cities.

Exhibit 8: Tier 2 and 3 cities start-up breakdown: By industry

Industry	Percent share of start-ups emerging from Tier 2 and 3 cities[1]
IT Services	49%
Healthcare & Lifesciences	47%
Education	52%
Waste Management	58%
Toys and Games	41%

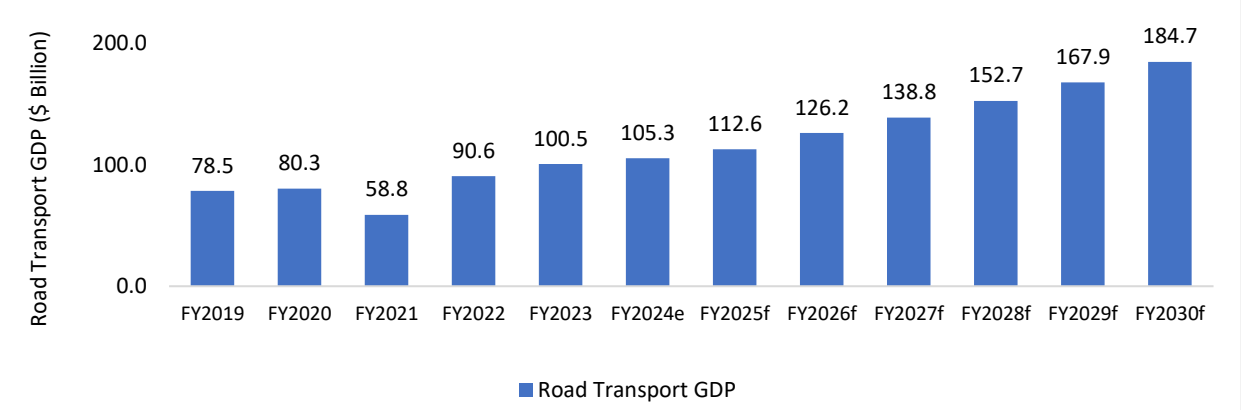
Note: 1. Data as of 2023; Source: Startup India; Frost & Sullivan

This budding start-up landscape within Tier 2 and 3 cities will drive economic development and create large-scale employment opportunities, thus bridging the gap between metropolitan and rural and semi-rural areas in India. The growing prevalence of remote working, and competitive operating costs are some of the primary reasons enabling this development. These factors will attract bigger corporates to expand into tier 2 and 3 cities creating demand for corporate mobility in these areas.

1.2.6. India Road Transport Industry

Road transport is a sub-segment of the transport, storage, communication & services group (as per national income accounting) and has grown at an annual average of 11.7% in the FY2015 to FY2023 period, rising from $57.7 billion to $100.5 billion. Road transport sector GDP will be at around $184.7 billion by FY2030, rising at a CAGR of 8.2% in the FY2022 to FY2030 period.

Exhibit 9: Road Transport Sector GDP ($ Billion), India, FY2019-FY2030f



Note: Fiscal Year (FY) 2019 refers to the period from 1 April 2018 to 31 March 2019. e: estimates; f: forecasts; Sources: MoSPI – India, IMF, Frost & Sullivan

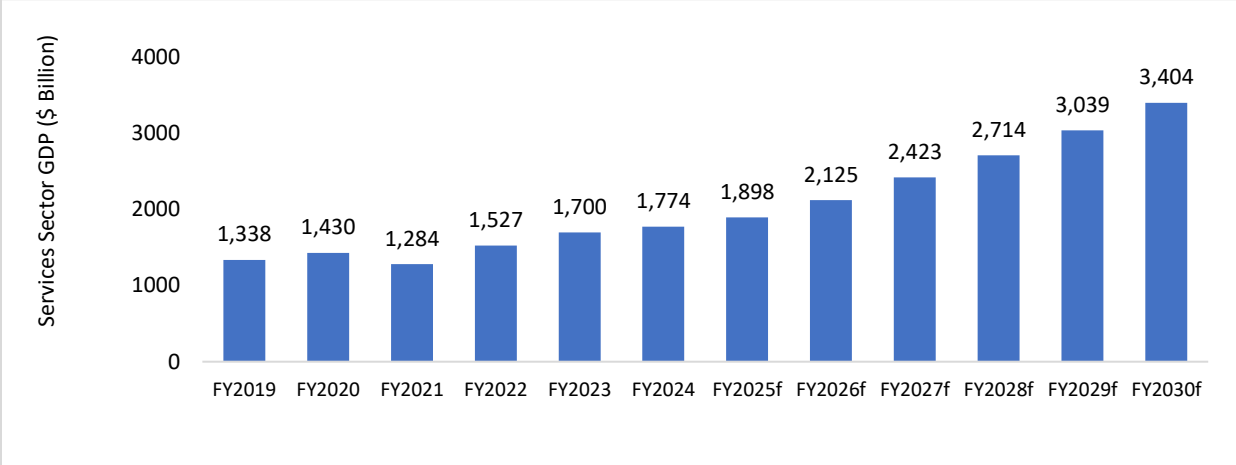
Key drivers for the road transport sector are India's rapidly rising GDP per capita and purchasing power potential, translating to demand for public transport, passenger vehicles (PVs), and commercial vehicles (CVs). Additionally, the massive infrastructure investment thrust by the government in recent years is reflected in the Union Budget FY2023-24 earmarking $33 billion for the Ministry of Road Transport and Highways. Under the National Infrastructure Pipeline FY2020-2025, the roads transport category with a total budgetary outlay of $1.4 trillion is likely to account for 18% of total capital

expenditure.[2] Steady investment growth, coupled with improving economic development standards, will continue to bolster the road transport sector's long-term growth momentum and, in turn, generate positive spillover effects for the overall mobility industry.

1.3. India: Structural Transformation

1.3.1. India Services Sector

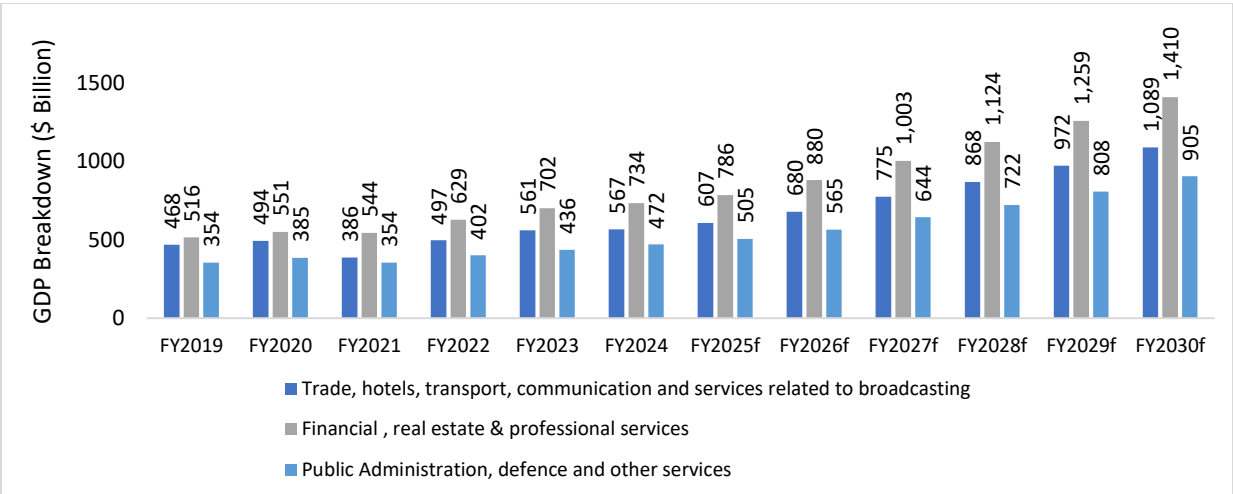
Exhibit 10: Services Sector GDP ($ Billion), India, FY2019-FY2030f



Note: Services sector includes trade, hotels, transport, communication, and services related to broadcasting; financial, real estate & professional services; and public administration, defense, and other services industries. Note: Fiscal Year (FY) 2019 refers to the period from 1 April 2018 to 31 March 2019. f: forecasts; Sources: MoSPI, Frost & Sullivan

Services sector GDP is forecast to reach $3,404 billion by FY2030 from $1,774 billion in FY2024, rising at a CAGR of 9.8%. In FY2024, the services sector share in total GDP stood at 48.9%. At $734 billion the financial, real estate & professional services sub-segment was the largest contributor to the services sector GDP in FY2024, with its GDP is forecast to reach $1,410 billion by FY2030.

Exhibit 11: Services Sector GDP Breakdown ($ Billion), India, FY2019-FY2030f



[2] India Brand Equity Foundation (IBEF); Road Infrastructure in India

Note: Fiscal Year (FY) 2019 refers to the period from 1 April 2018 to 31 March 2019. f: forecasts; Sources: MoSPI, Frost & Sullivan

The burgeoning services sector economy will bode extremely well for the corporate mobility and shared mobility segments as employment generation within the Indian tertiary sector remains robust in the medium and long-term. Rising infrastructure construction, be it for public transportation works of intercity metros or national highways, and the resultant traffic snarls will see consumers increasingly opt for shared mobility, especially within Indian metros and Tier 2 cities. Moreover, tourism sector growth will generate sizable spillover effects for trade, hotels, transport, communication, and services related to the broadcasting such as recording and publishing sub-segment[3]. For example, by CY2028, the number of foreign tourist arrivals in India is forecast to reach 30.5 million, generating revenues worth $59 billion.[4] This will generate steady demand for tourist transport in form of cars, vans, and buses.

India's well-established Information Technology (IT) and IT enabled Services (ITeS) sector industry along with a cost-effective labor pool is also bolstering the Global Capability Centers (GCC) segment. GCCs are offshore affiliates which provide IT, R&D, customer service support to parent organizations. As of 2023, the country had 1580 GCCs, which are likely to grow to 1900 by 2025 and 2400 by 2030, rising at a CAGR of 5.4% in the 2023-2030 period.[5]

Policy support is a key growth driver for the GCC market. States like Uttar Pradesh (IT & ITeS Policy 2022-27), Maharashtra (IT & ITeS Policy 2023-28), Karnataka (IT Policy 2020-25), Telangana (ICT Policy 2021-26) have established conducive policies to boost R&D and establish innovation centers within sectors like electronics, EVs, and pharmaceuticals. Furthermore, state governments are also focusing on building GCC clusters within the Tier 2 and 3 cities. For instance, Hosur, Nashik, and Aurangabad are being developed in tandem as the leading auto and electronics hubs with proximity to existing centers like Bengaluru and Pune.

Therefore, access to a young, skilled, and a multilingual labor force coupled with conducive policy environment and India's steady real GDP growth momentum are some of the key factors which will benefit the long-term growth of the GCC industry in India.

1.4. India Business and Corporate Ecosystem

Exhibit 12: Number of Active Companies, India, 2018-2023

Year	Government Companies	Non-government Companies	Foreign Companies
2018	1,924	1,158,021	3,372
2019	2,011	1,147,156	3,376
2020	2,054	1,189,838	4,894
2021	2,115	1,334,119	4,979
2022	2,171	1,426,201	5,051
2023	2,197	1,507,080	5,111

[3] According to India's national accounts definitions, communications and services related to broadcasting encompass postal activities, courier activities, activities of cable operators, telecommunication, and recording, publishing, and broadcasting services, with the latter covering the mentioned areas within the broadcasting segment.
[4] India Brand Equity Foundation (IBEF); Tourism & Hospitality Industry in India
[5] India Brand Equity Foundation (IBEF); Global Capability Centres (GCCs) In India

Sources: Ministry of Corporate Affairs – India, Data as on March 31, 2023; Frost & Sullivan

The number of active companies registered as government, non-government, and foreign in India has witnessed a consistent increase from CY2018 to CY2023, reflecting optimism about the country's business and investment environment and confidence in its medium to long-term economic growth prospects. With the number of active foreign companies touching 5,111 in CY2023, global investors are clearly considering India as a go-to destination for multinational corporations (MNCs). The country's multi-industry digital ecosystems, rapid urbanization, large consumption potential, political stability, competitive labor costs, abundant human resources, and pro-business administrative and regulatory policies are factors that make India a lucrative market for foreign investors and companies.

Another crucial factor contributing to this trend is India's transparent and liberal FDI policy. Periodic review of the FDI policy, removal of red tape, establishment of Special Economic Zones (SEZs), tax incentives to MNCs, and structural reforms of India's labor laws are making the country an attractive destination for long-term foreign investments.

Exhibit 13: Main Economic Activity-wise Company Break-up as on March 31, 2023, India

Main Economic Activity	Private	Public
Agriculture and Allied Activities	65,671	2,253
Industry	433,858	23,900
Services	921,728	42,255
Others	27,567	2,477

Sources: Ministry of Corporate Affairs – India; Frost & Sullivan

Services account for the largest share of private and public companies at 921,728 and 42,255, respectively.

An expanding company base within India will lead to spillover effects in the form of rising employment, growing income and consumption levels, and improved standards of living across the country. Focusing specifically on mobility demand trends, while ownership of private vehicles will witness an increase due to growing household incomes supported by large-scale employment generation, consistent growth in the number of companies will particularly benefit the on-demand mobility and mobility as a service (MaaS) segment.

On-demand and pre-scheduled mobility services such as chauffeur driven car rentals, and corporate shuttle fleets will experience a surge as companies work towards maximizing employee satisfaction and efficiency by providing point-to-point transportation services. Employees, too, will prefer these mobility facilities as they are more reliable, convenient, and economical as opposed to public and private, self-drive transport for business purposes.

Further, MaaS options such as ridesharing services, peer-to-peer rental services, and micro mobility facilities such as e-scooters and bicycles will also record an increase as internet penetration widens and corporates encourage accessible and sustainable transport modes. The integration of MaaS with public transport networks will not only expand the scale of MaaS but also bring about a facelift of mass transit systems through the adoption of innovative multimodal mobility technologies.

1.5. India's Union Budget 2024-2025 and its Impact on the Passenger Mobility Industry

Amid rapid urbanization and the growing usage of sustainable fuels, the transition towards green mobility and intelligent transport systems will gain impetus in India. This is also seen in the recent Union Budget 2024-2025, with the Indian government continuing its thrust on infrastructural development and sustainable transport solutions.

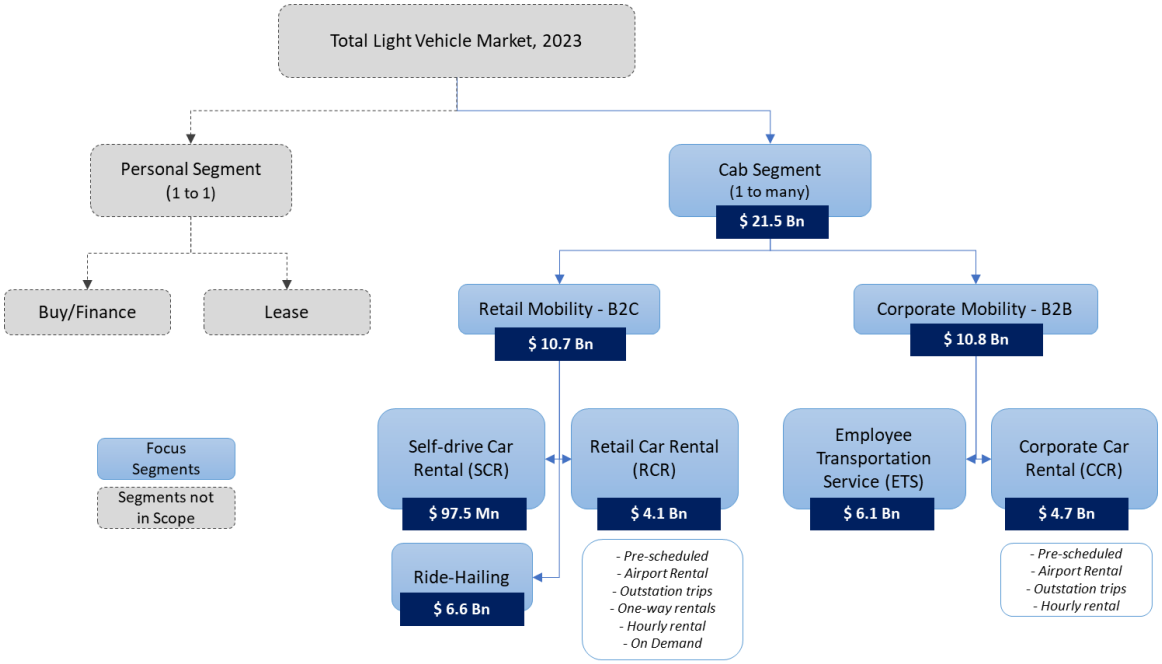
The allocation of INR 11 lakh crore towards capital expenditure in FY2024-25, the provision of INR 2.66 lakh crore for rural development, and an outlay of INR 2 lakh crore to promote youth employment and skilling will help bolster rural income levels. This will lead to increased demand for two-wheelers and entry-level passenger vehicles in rural and peri-rural areas over the long-term.

Increased emphasis on sustainability will also impact mobility trends over the coming years in India. The exemption of 25 critical minerals such as lithium, nickel, rhenium, tungsten, cobalt, and copper from custom duties and the institutionalization of a Critical Mineral Mission will lead to lower import costs for EV manufacturers. This will also lead to positive spillovers such as a scaling down in production costs and more affordable EVs, thus driving mass adoption of passenger EVs across the country. Further, an allocation of INR 2,671.33 crore has been earmarked under the Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) scheme within the budget. This will help EV and hybrid automakers build economies of scale over the coming years.

2. LIGHT VEHICLE MOBILITY MARKET

2.1. Market Definitions and Segmentation

Exhibit 14: Market Segmentation, Cab Market Revenue, 2023, India



Source: Frost & Sullivan

The Indian light vehicle mobility market is divided into the Personal and Cab segments. The "Cab segment" which is the focus of this report, refers to a mobility model where a single vehicle, owned by a specific firm or entity, is utilized to transport multiple users. In this arrangement, the vehicle serves as a shared resource, catering to the transportation needs of various individuals or customers. The cab segment is further divided into Retail, i.e., Business to Consumer(B2C) and Corporate i.e., Business to Business(B2B) categories. Each of these is categorized and defined as below:

2.1.1. Corporate (B2B)

a) **Employee Transportation Services (ETS):** Employee Transportation Services is a structured corporate mobility system aimed at facilitating convenient and efficient commuting for employees between their residences and workplaces. Typically administered by third-party vendors, ETS entails the provision of predefined routes and carpooling initiatives to optimize transportation logistics.

b) **Corporate Car Rental (CCR):** Corporate car rental (Chauffeur-driven) services cater to the needs of corporate clients and their employees, offering professional drivers for transportation purposes such as airport transfers, corporate events, conferences and exhibitions, outstation trips and hourly rentals. A wide range of vehicle options, from economy to luxury, ensures that diverse transportation requirements are met effectively.

ETS and CCR are combinedly referred to as "corporate mobility" across the report.

2.1.2. Retail (B2C)

a) **Self-drive Car Rental (SCR):** Self-drive Car Rental refers to a mobility solution where individuals can rent vehicles for a specific duration and drive themselves without the need for a chauffeur.
b) **Retail Car Rental (RCR):** Retail Car Rental (Chauffeur-driven) refers to rental cars driven by professional drivers for various purposes, including airport transfers, leisure events, and for hourly requirements. Vehicle options range from economy to luxury and from cars to vans, meeting diverse individual transportation needs.
c) **Ride-Hailing:** A mobile app-based transportation service connecting passengers with independent drivers, and shared car rides.

2.2. Corporate Mobility Market Overview

Corporate mobility has experienced significant growth in recent years in India, primarily due to the expanded presence of MNCs, Indian corporates, SMEs and HNIs who prefer to hire cars for official trips rather owning cars and keeping drivers in the company. In this context, growth is being fueled by:

- Transition from remote work to in-office work
- Focus on employee satisfaction and safety to improve retention rates
- Rise in corporate travel
- Rising corporate air travel and increase in number of airports
- Global Expansion Creates Demand for Indian Mobility Solutions
- Technology Adoption Drives Efficiency and Empowers Providers
- Expansion of office space and hiring, particularly in the IT and ITES sectors.
- Clients need for streamlining operations and enhance efficiency by consolidating car rental and employee transportation services with a single or fewer vendors, providing centralized solution for nationwide coverage.

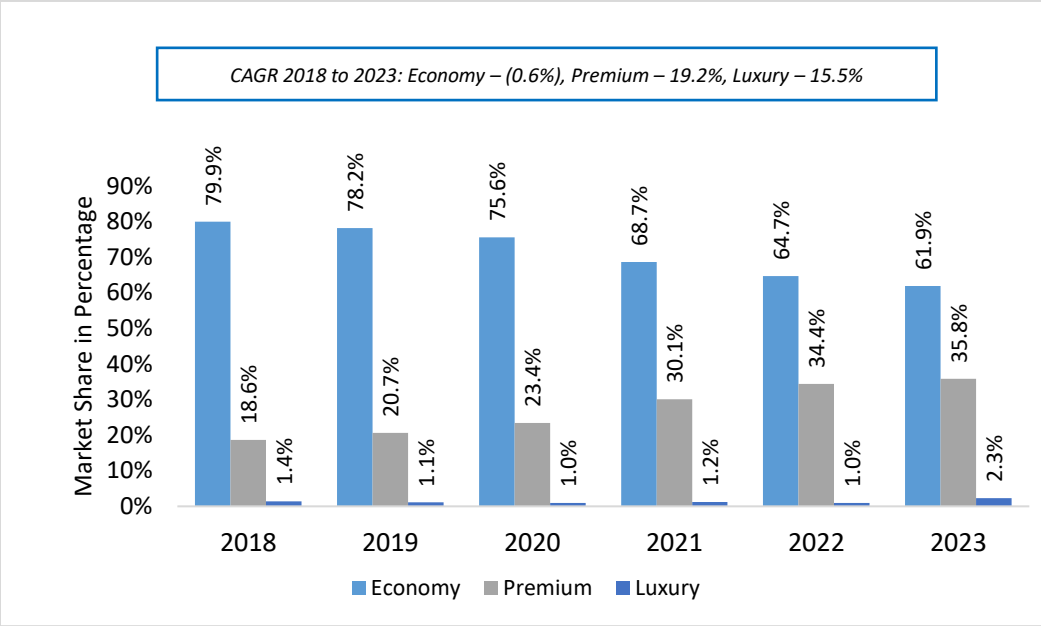
An estimated 61.2% of the total office space absorption in India is accounted by top 6 cities as of CY2023. Companies, including MNCs, IT firms, and startups, among others, situated in these urban centers are expanding beyond their current capacity. This expansion has prompted these companies to consider exploring new cities for further growth. This has led to growing demand for employee transportation and corporate car rental services in these locations.

According to the Ministry of Information and Broadcasting, the number of operational airports in the country has doubled from 74 in 2014 to 148 in 2023. The airline business is flourishing in India, with the government allocating approximately $11 billion (€10.22 billion) for constructing new airports and renovating existing ones. The objective is to increase the number of airports across India to about 200 within five years, up from the current 150. Additionally, India's domestic air passenger traffic is expected to double in the next six years, reaching 300 million by the end of 2030.

Tier 2 and Tier 3 cities in India are evolving into vibrant trade and tech hubs, fueled by inclusive development initiatives, infrastructure funding, MSME growth, digital penetration, and poverty reduction schemes. Corporate migration to these non-metro cities is boosting demand for mobility and logistics, while IT decentralization is amplifying the need for innovative transportation services.

2.3. Premiumization of Vehicles

Exhibit 15: Premiumization of Vehicles, India, 2018 to 2023



Source: Frost & Sullivan

The Indian car market is witnessing a clear shift from economy (Maruti Suzuki Dzire, Wagon R, Hyundai Venue) to premium (Honda City, Hyundai Creta, Toyota Innova Crysta) and luxury segments (Toyota Fortuner, Land Cruiser, MG Gloster). The data reveals a steady decline in the economy car share, dropping from 79.9% in CY2018 to 61.9% in CY2023, while the premium segment has grown from 18.6% to 35.8% in the same period. Luxury cars, though still a small segment, have also seen a healthy rise, jumping from 1.4% to 2.3%. This trend is likely to continue, driven by factors like increasing disposable incomes, growing brand awareness, and a rising demand for enhanced features and comfort.

This shift is also observed in the corporate sector, where there is increasing dependence on chauffeured car rental, rather than owned cars. Secondly, customers are looking for alternatives for app-based aggregators, where corporate mobility providers come in. It necessitates dependable and punctual rental cabs with transparent cost tracking. These factors gain significance as India's corporate landscape continues to grow. Businesses are increasingly prioritizing employee well-being and productivity, recognizing the value of a safe and comfortable commute. Premium cab services, offering features like spacious interiors, comfortable seating, and enhanced safety measures, cater to these needs and enhance the work experience while travelling. Additionally, rising corporate spending and evolving brand image considerations might further fuel the demand for premium car services in the corporate segment, mirroring the broader market trend.

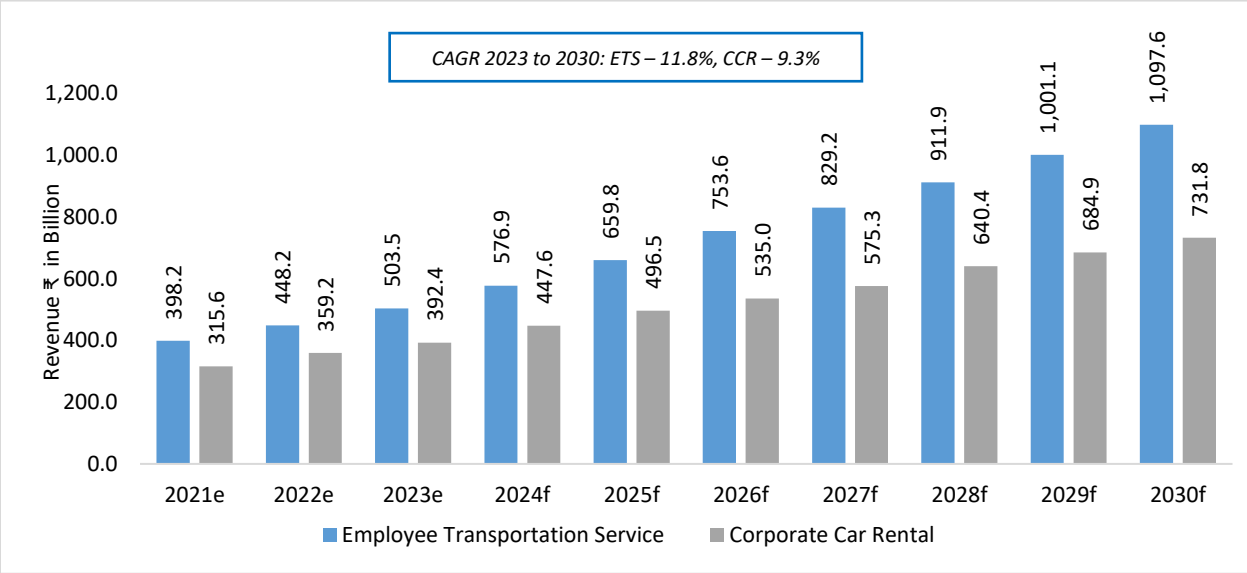
3. CORPORATE MOBILITY MARKET ANALYSIS

3.1. Revenue Analysis of Corporate Mobility Market

The Indian transportation landscape is experiencing significant shifts, with the ETS and CCR markets showcasing distinct growth trajectories while responding to diverse economic, regulatory, and technological forces.

The employee transportation service market, is estimated to have generated a revenue of ₹503.5 billion ($6.1 billion) as of CY2023, and it exhibits steady expansion growing in line with development of corporates such as IT, Global Capability Centers (GCC) segments etc. It is expected to grow at a CAGR of 11.8% to reach ₹1097.6 billion ($13.2 billion) revenue in CY2030. This aligns with India's growing economy, the rise of the organized sector, and increasing employee expectations for convenient commutes. The corporate car rental market, estimated at ₹392.4 billion ($4.7 billion) in CY2023, experiences healthy growth fueled by factors like increasing business travel needs, focus on employee well-being, and demand for premium services. It is estimated to grow at a CAGR of 9.3% to reach annual revenue of ₹731.8 billion ($8.8 billion) by CY2030.

Exhibit 16: Corporate Mobility, Revenue Analysis, India, CY2021 to CY2030



e: estimates; f: forecasts. Source: Frost & Sullivan

The ETS market caters primarily to corporates, particularly in tier-1 cities, with pricing models varying based on vehicle type, route distance, and service customization. Common models include per-employee, per-trip, and fixed monthly charges. The CCR market targets a niche segment seeking premium services, including corporates for executives and clients, individuals for special occasions, and tourists. Hourly rates, fixed fares, and package deals are prevalent pricing models in this segment.

India's economic growth and rising disposable incomes are key drivers for both markets. Regulatory factors also play a crucial role. The easing of permit regulations and the introduction of online aggregator platforms have facilitated market expansion. Nonetheless, concerns regarding vehicle licensing and driver training persist, requiring policy interventions for sustainable growth.

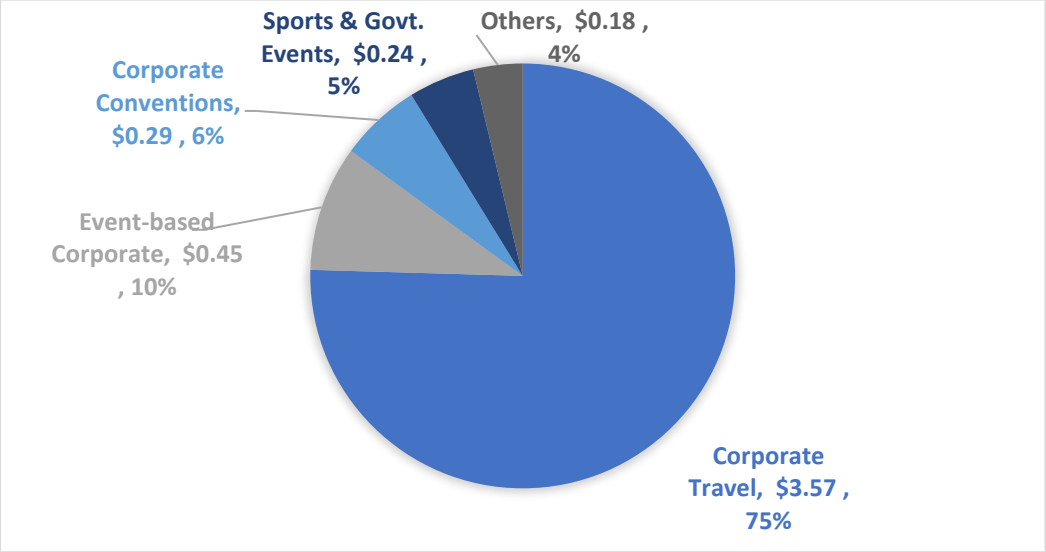
Technology-led advancements reflected in the form of electric vehicles (EVs) and ride-hailing apps are influencing both markets. ETS providers are exploring EVs to reduce operational costs and environmental impacts.

While both markets will experience growth, ETS caters to broader needs, leading to its faster growth rate. Similarly, CCR caters to a growing business travel segment, which is looking for better convenience, reliability and comfort as compared to app-based aggregator taxi services, resulting in healthy growth forecast. Both markets face competition from other mobility solutions like public transportation, ride-hailing, self-drive car rental etc.

3.2. Corporate Car Rental – Breakdown by End-user Type

India's Corporate Car Rental market in CY2023 reveals a focus on essential business needs, with corporate travel, airport transfers dominating at $3.6 billion accounting for a total of 75.3% of total revenue. Followed by corporate travel, three segments namely event-based travel, corporate conventions, and sports & government account for a total of $0.98 billion with respective shares of 9.6%, 6.2%, and 5.0% revenue. This data suggests a business prioritizing core travel needs, while gradually returning to event-based activities and leisure travel.

Exhibit 17: Corporate Car Rental Breakdown by End-User, Revenue Share, India, CY2023



Source: Frost & Sullivan

3.3. Unorganized vs Organized Business in Corporate Mobility

The corporate mobility sector is undergoing a significant transformation, with a clear shift towards a more formalized and organized structure. While the market has traditionally been fragmented with local, unorganized players, several factors are driving migration towards becoming organized especially through consolidation.

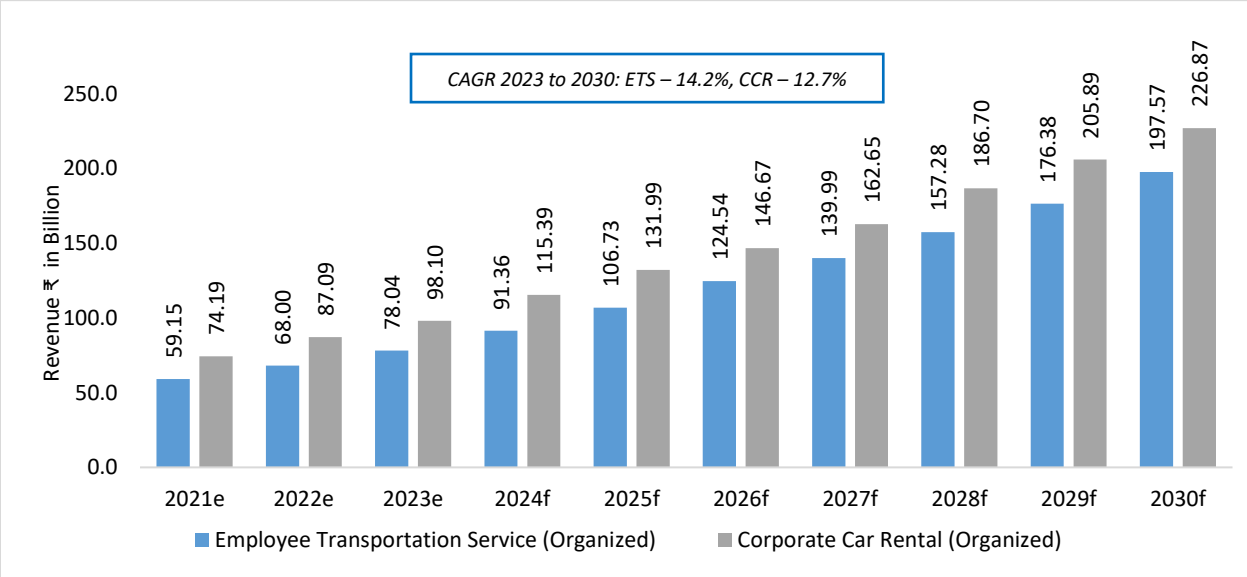
- Corporate Need for Reliability & Accountability: Companies increasingly prioritize reliable, accountable, and consistent service providers, favoring larger organized players.

- PAN India Ambitions: Big companies aim to expand their presence across India. Consolidation offers the scale and resources needed to achieve this goal.
- Operational Efficiency & Safety: Organized players leverage technology, centralized management, and safety protocols to provide a more efficient and secure travel experience, meeting rising corporate expectations.
- Other factors include the need for adherence to ethical standards, access to standardized service level agreements (SLAs), pan-India requirements, the convenience of managing fewer vendors, the availability of technological solutions, and the pursuit of competitive pricing.

Employee Transportation Services: Organized players hold an estimated 15% market share of the total ETS market in India (as of CY2023). This includes companies like Ecos (India) Mobility & Hospitality Limited (hereinafter to be referred as "ECO Mobility"), ORIX India, Wise Travel India Limited (hereinafter to be referred as WTi Cabs), Mahindra Logistics Limited (hereinafter to be referred as MLL), Select Cabs People Logistics Pvt. Ltd. that operate across the country with formal registrations, defined service models, and technology platforms. Additionally, there is a rise in end-to-end solutions providers such as Consulttrans Technology Solutions Pvt. Ltd., advocating a "Managed Mobility" model with 100% SLA ownership. Organized market is expected to increase to about 18% by CY2030. By opting to work with organized pan India players, clients seek assurance in meeting their diverse needs while streamlining processes and enhancing overall business performance.

The remaining 85% of the market (as of CY2023) is dominated by unorganized players. This includes individual taxi drivers, small transportation companies, and informal carpooling arrangements. While they offer lower fares, concerns exist regarding safety, reliability, and service consistency.

Exhibit 18: Revenue of Organized Business in ETS and CCR, India, CY2021 to CY2030



e: estimates; f: forecasts. Source: Frost & Sullivan

Corporate Car Rental: The organized segment in the CCR market is estimated to hold a share at about 25% of total market (as of CY2023). This includes companies like Wise Travel India Limited, Avis India, ORIX India, ECO Mobility, Berggruen Car Rentals Private Limited (hereinafter to be referred as "Car Club"),

Carzonrent India Pvt. Ltd. (hereinafter to be referred as CIPL) with formal operations and standardized offerings. Organized segment of CCR is expected to increase to more than 30% by CY2030.

The unorganized segment still holds a significant share, estimated at 75% (as of CY2023). Like the ETS market, this comprises individual drivers, local companies, and informal arrangements, often catering to specific needs or price-sensitive customers. However, more and more corporate are moving to organized players for advantages of single vendor for across India, transparent billing, better pricing, standardized and reliable services across the country.

Globally**,** the corporate mobility sector is experiencing a surge in consolidations, pushing it towards a more structured and organized state. In Europe, giants like ALD's acquisition of LeasePlan and Enterprise's string of acquisitions - AllCar Rent-a-Car, Carpingo, Walker Vehicle Rentals (Ireland), Discount Car and Truck Rentals (Canada), and SHB Hire (UK) - showcase the trend. Similarly, the US witnessed Wheels acquiring Donlen and then integrating LeasePlan, forming a single entity.

While these moves (including India) might seem like larger companies swallowing up smaller players, they also incentivize the unorganized sector to become more organized. Integration into larger entities exposes them to improved practices, leading to a gradual shift towards a more structured and efficient corporate mobility environment.

3.4. Evolution of Solutions in Corporate Mobility Management – New Models

Several companies, like MoveInSync, Routematic and Safetrax, are providing software solutions for managing corporate mobility services. Some of these firms are now exploring the potential to expand their offerings beyond software, integrating fleet management into comprehensive end-to-end employee transport solutions while maintaining an asset-light approach. This trend of end-to-end solutions is anticipated to endure, driving the consolidation of the fragmented fleet operators competing in the corporate mobility market.

However, corporate customers highlight the absence of a maker-checker system in such arrangements. This is because technology is expected to both track, report, bill, and audit transport consumption for employee transport. Implementing a maker-checker system in technology-reliant transportation management enhances accuracy, reduces errors, promotes responsible spending, and addresses privacy concerns.

There are also concerns regarding the data privacy and security of driver data from existing ETS vendors being shared with a technology company that is also a competitor. Due to this, large vendors are hesitant to adopt technology where technology providers are also competing transport service providers.

Integrated mobility providers, such as ECO Mobility, address this gap by offering end-to-end mobility solutions to corporates. Leveraging their pan-India presence, large fleet of cars, and technology-driven service approach, they provide a perfect balance. Unlike the unorganized sector, they offer professionalized services, while also mitigating concerns around technology ownership, data security, and privacy that can arise with pure software-based solutions.

In addition, there has been an emergence of end-to-end technology service providers like Consulttrans Technology Solutions Pvt Ltd., who can offer comprehensive solutions to clients, including trained

manpower, help desk management, compliance management, women's safety parameters, etc., while assuming 100% SLA ownership, with the client retaining control over the technology.

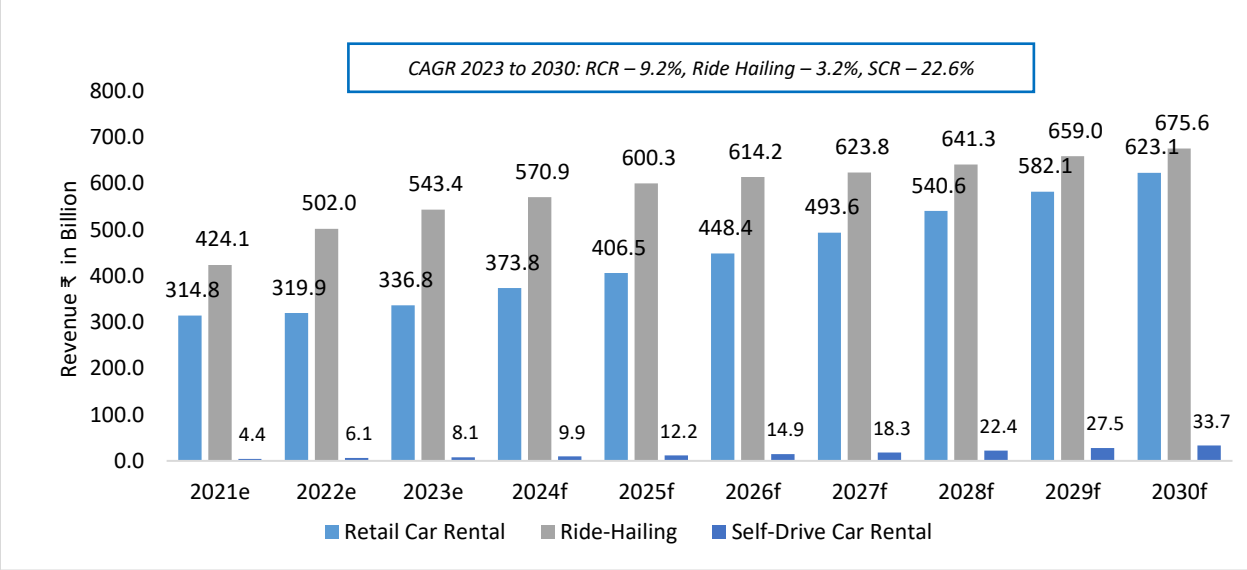
4. RETAIL MOBILITY MARKET ANALYSIS

4.1. Revenue Analysis of Retail Mobility Market

The retail mobility market is categorized into three segments names retail car rental, self-drive car rental, and ride-hailing.

The retail car rental business is estimated at ₹336.8 billion ($4.1 billion) in CY2023, while the ride-hailing business dominates the retail mobility segment. Retail car rental is expected to post a tremendous growth of 9.2% CAGR between CY2023 and CY2030 to hit ₹623.1billion ($7.5 billion) annual revenue. This reflects a continued preference for the convenience and status associated with chauffeur-driven services, particularly among retail travelers and high-net-worth individuals.

Exhibit 19: Retail Mobility, Revenue Analysis, India, CY2021 to CY2030



e: estimates; f: forecasts. Source: Frost & Sullivan

In stark contrast, the self-drive car rental segment is nascent, contributing a mere ₹8.1 billion ($0.10 billion) in CY2023. Its lower penetration highlights limited awareness and affordability concerns. However, rising car ownership, coupled with growing millennial demand for flexibility and independence, presents potential for significant future growth to reach ₹33.7 billion ($0.41 billion) by CY2030.

The ride-hailing segment which dominates the retail mobility market was valued at ₹534.4 billion ($6.6 billion) in CY2023 and is set to grow at a CAGR of 3.2% between CY2023 and CY2030 to hit ₹675.6 billion ($8.1 billion). While affordability and convenience fuel its popularity, regulatory hurdles, and intense competition limit explosive growth. The emergence of bike-sharing and e-rickshaws further adds to the competitive landscape. Compared to the explosive growth witnessed pre-pandemic, trends indicate saturation within this segment.

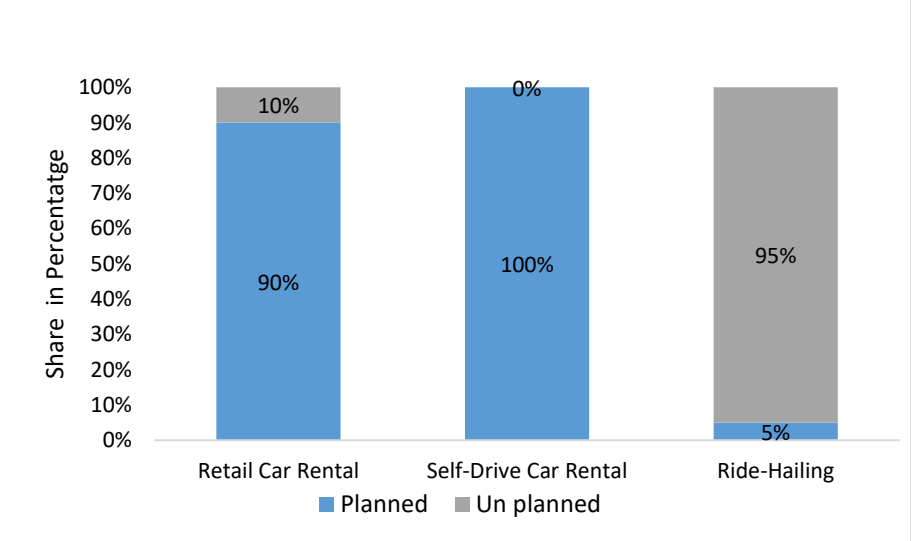
India's robust economic growth and rising disposable incomes are key drivers of the B2C mobility market. Regulatory changes like simplified licensing for taxis and bike-sharing platforms could further impact growth. Technology also plays a crucial role, with mobile apps streamlining booking and payment processes.

Understanding target segments is crucial. Retail car rental caters to value and reliability, while self-drive car rental targets budget-conscious travelers and urban populations. Ride-hailing services appeal to an on demand broader audience, with varying pricing models catering to price conscious customers.

4.2. Pre-Scheduled vs On-Demand in Retail Mobility Market

The B2C mobility market can be categorized by reservation type: pre-planned and on-demand segments. The subcategories of retail mobility namely retail car rental and self-drive car rental is dominated by pre-scheduled reservations. Another subcategory ride-hailing, on the other hand, is dominated by on-demand bookings, reflecting the immediate need for transportation within a short timeframe. This is evident in the data (refer Exhibit 20), where pre-scheduled bookings account for almost 95% of the total revenue in car rentals (includes RCR and SCR) compared to only 5% in ride-hailing.

Exhibit 20: Retail Mobility Breakdown, Revenue Share, India, CY2023



Source: Frost & Sullivan

5. REVENUE ANALYSIS OF GLOBAL CORPORATE MOBILITY

The global corporate mobility (including ETS and CCR) market, is poised for steady growth. A projected CAGR of 9.6% from CY2023 to CY2030 indicates a promising future. However, the two segments within this market are experiencing different growth trajectories.

Employee transportation service segment, driven by factors like economic recovery, hybrid work models, and office re-openings, is expected to post a healthy growth. With an estimated revenue of $32.4 billion in CY2023 and a projected CAGR of 8.2% until CY2030, employee transportation service is anticipated to reach $56.4 billion by the end of the decade. Conversely, the corporate car rental market, which includes

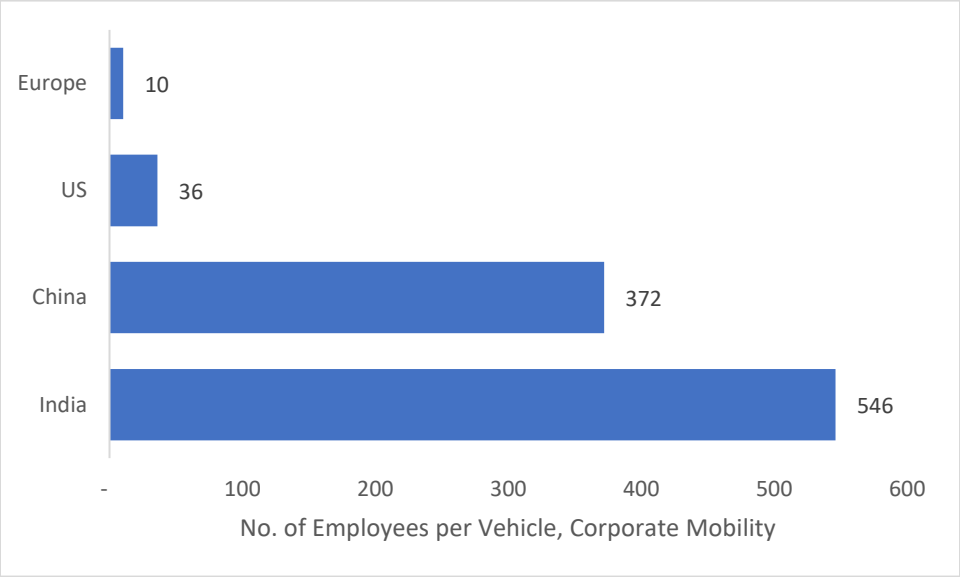
airport transfers is estimated at $54.0 billion in CY2023, significantly lower than pre-pandemic levels. However, with a projected CAGR of 10.4% aligned with the anticipated growth in business travel, the CCR market is expected to witness a healthy growth and reach $107.7 billion by CY2030.

India is poised to lead the global corporate mobility market in terms of growth, with a projected CAGR of 10.7% from CY2023 to CY2030.

6. AVAILABILITY OF CORPORATE MOBILITY (EMPLOYEES PER VEHICLE)

A comparative examination of corporate mobility access in relation to the employed population (refer exhibit 21) at a national level indicates that India has approximately 546 employees with access to one car for corporate mobility (employees per commercial vehicle). In contrast, figures for regions like China, the US, and Europe stand at 372, 36, and 10 employees per car, respectively. This disparity highlights the vast potential for growth in India's corporate mobility sector. Organized players in this market are well-positioned to capitalize on this under-penetration and cater to the growing demand for efficient and reliable employee transportation solutions.

Exhibit 21: Corporate Mobility, Number of Employees per Vehicle, Regional Comparison, CY2023



Source: Frost & Sullivan

7. MARKET FORECAST ANALYSIS – CORPORATE MOBILITY INDIA

7.1. Key Risks and Restraints/Challenges

- Fragmentation: The corporate mobility market is fragmented with numerous small, localized players, leading to inconsistencies in service quality, scalability challenges, and limited bargaining power with corporate clients.
- Operational Challenges: Managing a large fleet of vehicles, ensuring maintenance, and complying with complex regulations present hurdles in achieving efficiency and controlling costs within the corporate mobility sector.

- Driver Management: Recruiting, training, and retaining reliable drivers is crucial but challenging, directly impacting service quality and safety standards.

7.2. Key Opportunities and Drivers

- Tier 2 & 3 city expansion: By CY2028, India's Tier 2 and Tier 3 cities are projected to host 57% of the urban workforce. Although Tier 1 cities currently contribute significantly to corporate mobility revenue, mobility providers are aiming to capitalize on these smaller cities as additional revenue sources. The expansion of ITES and increasing business travel needs correlate directly growth in corporate mobility.
- Global expansion: Over the last decade, IT and ITES companies have been expanding their operations into countries such as the Philippines, South Africa, Romania, and the Middle East (especially within construction firms). This expansion has driven a growing demand for corporate mobility. Indian companies, especially those with organized structures and the necessary expertise, have a significant opportunity to quickly establish themselves in these regions.
- Embracing Technology for efficiency: Investing in technology and digital platforms presents a unique opportunity for corporate mobility providers. By doing so, they can enhance their service ecosystem, leverage data for informed decision-making, improve efficiency, and attain greater autonomy. This approach contrasts with reliance on third-party technology providers, which could potentially exploit shared data to exert control over mobility providers.
- Huge expansion of GCCs in India: India's strong IT sector and cost-effective workforce are fueling the growth of Global Capability Centers (GCCs). The number of GCCs is expected to rise from 1580 in CY2023 to 2400 by CY2030. Government policies promoting R&D and innovation hubs in key sectors like IT, electronics, and EVs further strengthen this growth. Additionally, development of GCC clusters in Tier 2 & 3 cities like Hosur and Nashik complements established centers in Pune and Bengaluru. This in turn is leading to higher demand for quality employee transport from these GCCs.
- Increased Airport Connectivity Fuels Demand for Chauffeur Driven Mobility: India's booming air travel sector, with a growing network of airports, creates opportunities for corporate mobility solutions. Businesses will require efficient chauffeur driven mobility options to connect employees with these expanding air hubs, driving demand for corporate mobility to bridge first and last-mile gaps.
- Business Travel to Soar: Business travel expenditure in India surged by 24.7% last year, with expectations for a full recovery to pre-Covid levels by CY2025 and a further increase to 120% by CY2027, as indicated by the Global Business Travel Association. This underscores a substantial potential for corporate mobility in India.
- Improved Road Networks Drive Ground Travel: Investments by the government in road infrastructure projects, such as the National Infrastructure Pipeline, offer substantial prospects for corporate mobility solutions. Improved roads lead to increased road passenger traffic, shifting short trips from air travel to road transport.
- Formalization Fuels Growth: The Indian corporate mobility sector is transitioning from unorganized local players to organized service providers. This shift is driven by companies' growing needs for reliability, scalability (PAN-India operations), and operational efficiency. Organized players, with centralized management, technology adoption, and safety protocols, are well-

positioned to address these demands, fueling significant growth opportunities for established corporate mobility providers.

7.3. Factors Impacting Indian Corporate Mobility Market

Corporate mobility (includes ETS and CCR) is an essential part of corporate organizations, including manufacturing, IT, ITES, Global Capability Centers, BPOs and KPOs, where employees are provided a convenient option to commute from their homes to their offices. This eliminates the need for employees to manage their own transport needs, freeing them up to focus on their jobs. Although these services are rendered to employees by the employer, the service itself is provided by mostly third-party vendors who play a major role in ensuring that key parameters – productivity, safety, and comfort – are addressed. Factors that could potentially impact corporate mobility business are:

Safety: Company employees are primarily dependent on drivers while using ETS or CCR services. Drivers are responsible for the safety of company employees from pick up to drop off. Mobility providers need to be diligent to ensure the safety of their clients. This can be achieved by conducting strict background verifications of the drivers. Driver training needs to be provided to ensure that company employees using corporate mobility have a reliable travel experience.

Periodic maintenance: Service providers need to comply with local laws and regulations to ensure that their vehicles are in topnotch condition. Regular maintenance is key to avoid breakdowns, accidents and delays and support timely attendance at the workplace.

Cost economy: The factor that most appeals to both employee and employer is cost-effectiveness. In larger organizations, ETS can drastically bring down overall transportation costs by eliminating individual travel allowances. The sustainability factor also comes into play, wherein use and ownership of personal vehicles and associated traffic congestion and pollution can be reduced. This will strengthen the company's environment- friendly credentials.

Technology integration & customization: Technology has enhanced convenience in the corporate mobility industry. Previously, customers had to make manual submissions to execute mobility needs. Technological advancements now allow employers and employees to book and track vehicles with the help of apps or through online portals.

8. CASE STUDIES

The emergence of ride-hailing companies into the B2C mobility sector marks a significant evolution in transportation services. With their established platforms and extensive networks, these companies have been trying to also cater to the unique needs of corporate clients.

8.1. App Based Aggregators

App-based aggregators have revolutionized the transportation landscape in India. Founded in response to the inefficiencies of traditional taxi services, these platforms connect passengers directly with drivers, offering features like transparent pricing, driver verification, and real-time tracking. Serving millions of customers across hundreds of cities, app-based aggregators have become a prominent force in the on-demand transportation sector, providing a convenient and reliable alternative for both daily commutes and longer journeys.

8.2. Exploring the Viability of App-Based Aggregators in Corporate Mobility

Saturation in India's retail mobility segment - which is dominated by companies like Ola, Uber, Rapido, and Meru Cabs - is motivating ride-hailing companies to explore the potential of new business areas. The companies have been trying to tap into the fragmented corporate market segment for example through Ola for business and Uber for Business for many years.

Exhibit 22: Feature Comparison, PAN-India Corporate Mobility Providers vs App-Based Aggregators, India, 2023

Feature	App-Based Aggregators	PAN-India Corporate Mobility Providers (ETS and CCR)
Focus	Primarily B2C segment	B2B segment (Corporate travel demands)
Resources & Service Levels	Limited dedicated fleet and drivers	Extensive dedicated fleets and experienced drivers
Technology	Less investment in fleet management systems (FMS)	Established FMS for efficient operations
Driver Liability	Limited control over driver behaviour and work schedule	Drivers employed directly or under strict contracts
Service Differentiation	Limited services beyond platform management	Comprehensive services including vehicle maintenance, hygiene, etc.
Vehicle Quality	Concerns regarding vehicle quality and maintenance	High standards for vehicle quality and regular maintenance
Service Consistency	Inconsistent service experience	Consistent and reliable service tailored to corporate needs
Driver Professionalism	Concerns regarding driver professionalism and conduct	Professional and well-trained drivers
Cancellation Rates	Frequent driver cancellations can disrupt schedules	Minimal cancellation rates due to dedicated drivers

Below are the challenges faced by app-based aggregators seeking to enter the corporate mobility market.

- Shift in branding perception: With app-based aggregators having firmly established themselves in the B2C segment, these players and their competitors are experiencing high cash burn rates as they seek to sustain operations as well as acquire and retain customers in the segment. The thrust on the B2C segment has meant that focus on their B2B offerings remains limited.
- Competition with existing ETS players: Existing ETS players use dedicated fleets and drivers to fulfill the corporate travel demands of companies. On the other hand, app-based aggregators, will find it challenging to match the resources and service levels of incumbent ETS players.
- Technology integration: App-based aggregators need to hike investments in tech, i.e., on fleet management systems (FMS), to be able to effectively service the B2B segment and compete with established players.
- Driver liability: This is one of the most critical issues over which app-based aggregators have limited control (includes driver behavior and work schedule). Drivers do not work exclusively for the company; they use the opportunity to make money by driving under their preferred app-based aggregators. While in case of corporate mobility providers, drivers are employed directly or are under strict contracts with the company. Another cause of driver dissatisfaction was the companies' initial reduction of driver incentives followed by their eventual elimination.

- Service differentiation: App-based aggregators must fill the huge gap in their services – such as maintenance and hygiene, among others – associated with existing ETS players. This creates an additional level of difficulty beyond just managing the platform and drivers. Also, B2B relationships are difficult to build due to the wide variety of companies and diverse company cultures in India.
- Low-Quality Vehicles: Concerns exist regarding the quality and maintenance of vehicles used by some ride-hailing companies, raising safety and comfort issues for corporate clients.
- Inconsistent Service Levels: The B2B segment demands consistent and reliable service, which can be inconsistent with the experience offered by ride-hailing companies in the B2C space.
- Lack of Professionalism: Concerns regarding driver professionalism and conduct can create hesitation among companies relying on ride-hailing for their employees' travel needs.
- Frequent Cancellations: Frequent cancellations by drivers can disrupt employee schedules and raise reliability concerns for companies.
- Corporate clients require customized solutions that cater to their specific needs.
- App-based aggregators struggle to meet stringent corporate compliance, hygiene, and safety requirements due to the inherent limitations of their model.

Since 2018, drivers working for app-based aggregators have been sporadically protesting about the decline in income and incentives. Unavoidable strikes affect company productivity since it disrupts employee travel to the workplace. Until online platform aggregators resolve these issues, app-based aggregators will continue to face problems servicing the B2B market.

9. ELECTRIFICATION

9.1. Advantages of migrating to EV

Environmental sustainability: Organizations are exploring to reduce their carbon footprint by adopting EVs. This approach is also helping companies rebrand themselves as sustainability champions. While ETS presents the best use case for EVs with a single terminal destination, such as an office building, this advantage has not been leveraged due to resistance from office campus landlords to provide approval for building charging infrastructure in available parking spaces.

Preferential treatment and government incentives: the government had introduced subsidies for EVs priced below ₹ 15 lakhs under the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles (FAME) program. The subsidies under Phase II concluded on March 31, 2024. By March 30, 2024, a total of 1,542,452 electric vehicles had been subsidized under the scheme.

While preparations for FAME III are underway, the timeline for its implementation remains unknown. Meanwhile, the Ministry of Heavy Industries (MHI) launched a new initiative, the Electric Mobility Promotion Scheme (EMPS), on March 13, 2024. This scheme entails an investment of ₹ 5 billion and spans from April 1, 2024, to July 31, 2024. The scheme aims to offer impetus to green mobility, including the development of the EV manufacturing ecosystem in the country, and is set to support 3,72,215 EVs.

Advances in EV technology: Advances in EV tech, battery efficiency optimization, expanded charging infrastructure, and fast charging technologies are underlining the appeal of EVs to corporate companies.

9.2. Disadvantages of migrating to EVs

High upfront costs and infrastructure requirements: The purchase price of EVs is much higher than that of their gasoline counterparts. The need to build charging infrastructure further adds to substantial initial expenses. This is aggravated by range limitations and longer charging times.

Total cost of ownership: The cost of owning an EV is high due to its high upfront costs. However, while EVs are perceived to support lower overall cost of ownership over their lifespan, compared to internal combustion engine (ICE) equivalents, the charging infrastructure and after sales service network is not yet ready to support large scale electrification. Residual value is also a huge challenge.

Hertz, one of the world's largest car rental companies, sold approximately 20,000 electric vehicles, roughly a third of its EV fleet, due to weak demand, higher depreciation, and high repair costs. CEO Stephen Scherr told CNBC, "We may have been ahead of ourselves."

Operational hurdles: Recharging delays impact driver availability, specialized maintenance can be costly, and EV model selection might not meet specific fleet needs.

Uncertainties and complexities: Battery degradation affects range and finances, resale value is unpredictable, and regulatory changes require constant adaptation. Additionally, grid capacity limitations and employee acceptance pose further challenges.

Electric vehicles have primarily been promoted through government mandates and subsidies which cannot be provided forever. As the market matures, the government is likely to phase out these schemes, increasing the cost of the vehicle.

9.3. Market Constraints

EV adoption is growing rapidly, steered mainly by rising fuel prices, fast charging technologies, and regulatory-backed incentives. Nonetheless, there are constraints that will need to be addressed on a priority basis to maximize on the potential of the EV market.

- Range anxiety: Range anxiety is real. Customers who drive EVs fear that their cars might run out of charge, and they might not be able to find a charging station on time. This is largely because of insufficient charging station infrastructure. This mindset, together with the lack of available charging stations, will pose a hindrance to EV adoption.
- Charging infrastructure: The undersupply of charging stations will set back the growth of EVs. Although charging infrastructure coverage is rapidly expanding in cities, it still falls short in most rural areas. Charging speed is another aspect that is holding back adoption. Although there are fast chargers in the market, they still tend to be slower than refueling a conventional internal combustion engine (ICE) car.
- Charger compatibility: Level 2 chargers are predominantly used for charging EVs, except for Tesla which require an adaptor. There are three types of fast chargers: SAE CCS (Society of Automotive Engineers Combined Charging System), CHAdeMO (CHAdeMO signifies both the name of the DC charging technology designed for electric vehicles and the organization tasked with developing the technology), and the Tesla Supercharger (proprietary fast charging network owned and operated by Tesla).

- Lack of skilled technicians: The EV industry is new, still relatively small, and lacks qualified technicians with expertise in EV repair and maintenance. Apart from regular maintenance, EVs also require qualified technicians with skills in battery repair and management.
- Battery technology: Even though battery technology is improving in terms of range, the limited range supported on a single charge remains a perennial concern for customers. An EV battery accounts for the bulk of an EV's total cost because of the raw materials that go into manufacturing the battery.
- Battery recycling to reduce environmental impact: Recycling or repurposing end-of-life batteries in a sustainable manner remains a major concern for manufacturers and customers due to the environmental hazards posed by disposal of batteries.
- Supply chain disruption: EV batteries use rare earth materials. The supply of such materials can be easily disrupted by geopolitical issues or shortages in material sourcing.
- Lack of specialized aftersales maintenance facilities: The dearth of specialized aftersales providers is leading to long waiting periods at authorized EV maintenance and repair workshops.

10. COMPANY PROFILING

10.1. Ecos (India) Mobility & Hospitality Limited (ECO Mobility)

- **Solutions Offered:** ETS & CCR (Conference & Delegation, Event Transportation, Wedding Car Rental, Hotel Travel Desk), India Self Drive Car Rental, Global Self Drive Car Rental, Global Chauffeur Drive.
- **Inc year:** 1996
- **Revenue (2023 – 2024)**: ₹5,682.1 million
- **Fleet Size, 2024 (as of July 2024):** 12,900+
- **Market presence:** More than 100 cities

ECO Mobility, a premier people mobility company in India, operates distinct divisions catering to corporate executive car rental and employee transportation needs. Serving Indian and multinational companies, GCCs, IT and ITES companies, travel agents, tour operators, event management firms, frequent travelers and HNI's the company offers chauffeur-driven cars ranging from economy to luxury segments, including brands like Tata, Maruti, Toyota, BMW, Audi, and Mercedes, alongside Volvo and Toyota Coaches. With a widespread presence across 100+ Indian cities, ECO Mobility stands as a leader in corporate mobility market. ECO Mobility is the largest in terms of ETS and CCR revenue of ₹5,682.1 million (FY2023–2024). Recognized for operational excellence, tech-driven solutions, and customer loyalty, the company boasts numerous awards, including national honors and industry accolades. With a fleet of over 12,900 vehicles as of FY24, ECO Mobility maintains its position as India's largest chauffeur driven mobility provider based on revenue, prioritizing customer satisfaction and technological innovation to retain its competitive edge in the market.

The company boasts a comprehensive client portfolio encompassing a wide range of industries, from IT and healthcare to e-commerce and manufacturing. Notably, in the fiscal year 2024, they served 42 Fortune 500 companies and 60 BSE 500 companies, highlighting their commitment to excellence and reliability.

10.2. Shree OSFM E-Mobility Ltd.

- **Company Name:** Shree OSFM E-mobility Ltd.

- **Solutions Offered:** ETS, Travel Desk Management, Roster Management, Fleet Management, Logistics for Event Management
- **Inc year:** 2006
- **Revenue (2023 – 2024):** ₹1,190.6 million
- **Fleet Size, 2024 (as of July 2024):** 3500+ fleet, 300 vehicles owned, rest is leased from various vendors.
- **Market presence:** About 10 cities, Operating 42 sites

A leading provider of employee transportation solutions in India for over 15 years, the company caters to major MNCs across IT, Aviation, and other sectors in 10 key cities. They offer flexible engagement models (monthly lease, per kilometer, per passenger) with a diverse fleet exceeding 3500 vehicles (mostly leased) ranging from small cars to luxury options.

10.3. Wise Travel India Limited

- **Solutions Offered:** ETS & CCR (Project & Site Commute, Corporate Mobility Solutions), Electrification of Fleet, Employee Transportation Technology, Car Rental Technology, Hybrid Working transportation.
- **Inc year:** 2010
- **Revenue (2023 – 2024)**: ₹4,135.3 million
- **Fleet Size, 2024 (as of July 2024):** 6000+
- **Market presence:** More than 10 cities

Founded in 2010, WTi cabs has become a major player in India's people transportation industry. Known for pioneering concepts like "Driver Cum Owner," they offer a wide range of services, from car rentals and employee transportation to car leasing and coach rentals. Their extensive network spans over 130 Indian cities, utilizing a large fleet and robust technology platform to deliver a best-in-class service experience.

10.4. Carzonrent India Pvt. Ltd.

- **Solutions Offered:** ETS & CCR (Corporate Travel, SME Travel, Aviation Travel Solutions, Gov & PSUs Travel, Hospitality Travel, Events travel, Expats Travel, Airport Transfer, Outstation Travel), Plugs – EVs, Long Term Rentals.
- **Inc year:** 2000
- **Revenue (2022 – 2023)**: ₹1,209 million
- **Fleet Size, 2024 (as of July 2024):** 8000+

Established in 2000, Carzonrent India (CIPL) is a leading provider of chauffeur-driven car services in India. They offer a variety of options, including local taxis, outstation trips, airport transfers, and corporate car rentals. With a focus on technology and customer experience, they utilize cloud computing, telematics, and mobile apps to streamline booking and provide a premium travel experience. CIPL boasts a large fleet exceeding 8,000 cars, ranging from budget-friendly options to luxury sedans, catering to diverse needs.

10.5. ORIX India

- **Solutions Offered:** ETS & CCR, Operating Lease, Rent A Car, MyChoize – Car Rentals, Mobility Solutions, Finance Lease, Equipment Leasing, Loan Against Property, Commercial Vehicle Finance, ElectRIX
- **Inc year:** 1995
- **Revenue (2022 – 2023)**: ₹10,823 million (consolidated), and ₹3,363.2 million (pertains to total of ETS and CCR)
- **Fleet Size, 2024 (as of July 2024):** 4000+
- **Market presence:** 20+ offices

A subsidiary of Japan's ORIX Corporation, ORIX India offers leasing and transportation solutions for businesses. With over 1,000 employees and 600 million USD in assets, they provide car leasing, rentals, and financing options through their subsidiaries OAIS (established 1995) and OLFS. OAIS focuses on operating leases, car rentals, and self-drive options, while OLFS offers car lease financing, commercial vehicle loans, and property loans for SMEs.

10.6. Mahindra Logistics Limited

- **Solutions offered:** ETS & CCR (Airport Services, Enterprise Transport Management, Outstation Rentals)
- **Inc year:** 2007
- **Revenue (2022 – 2023):** NA
- **Fleet Size, 2024 (as of July 2024):** 5000+ vehicles deployed per day
- **Market presence:** Major Cities in India

Part of the vast Mahindra Group, a company with a global footprint and commitment to sustainability, this organization operates in five business segments. Leveraging shared resources and technology, they offer project management, solution design, warehousing, and more. Their focus on automation and data analytics empowers clients with transparency, control, and informed decision-making, ultimately driving business success.

10.7. Avis India

- **Company Name:** Avis India
- **Solutions Offered:** Chauffeur drive and self-drive car rentals, car-pooling, operating lease, fleet management, long term mobility solutions to both retail and corporate customers
- **Inc year:** 1970
- **Revenue (2022 – 2023):** ₹3,795 million
- **Fleet Size, 2024 (as of July 2024):** 5000
- **Market presence:** 19 cities, 50 rental stations

A joint venture between The Oberoi Group (luxury hotels) and Avis Budget Group (global car rentals), Avis India offers over 20 years of experience in car rentals and fleet management. Their extensive network of 50 stations across 19 cities provides chauffeur-driven, self-drive, and leasing options for both individuals and businesses. They boast a premium fleet exceeding 5,000 cars and prioritize customer comfort with

technology like real-time tracking and 24/7 support, solidifying their position as a leading mobility company in India.

11. OPERATIONAL PARAMETERS

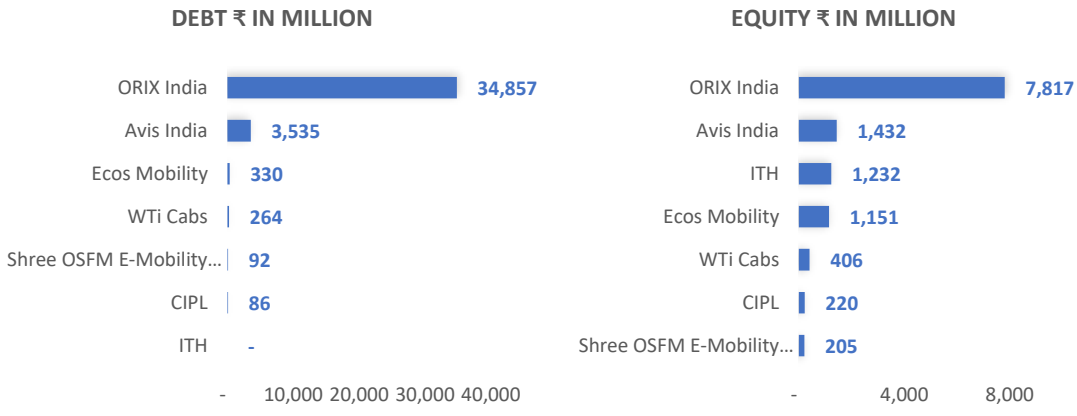
Exhibit 23: Operational Parameters Benchmark, Corporate Mobility, India, February 2024

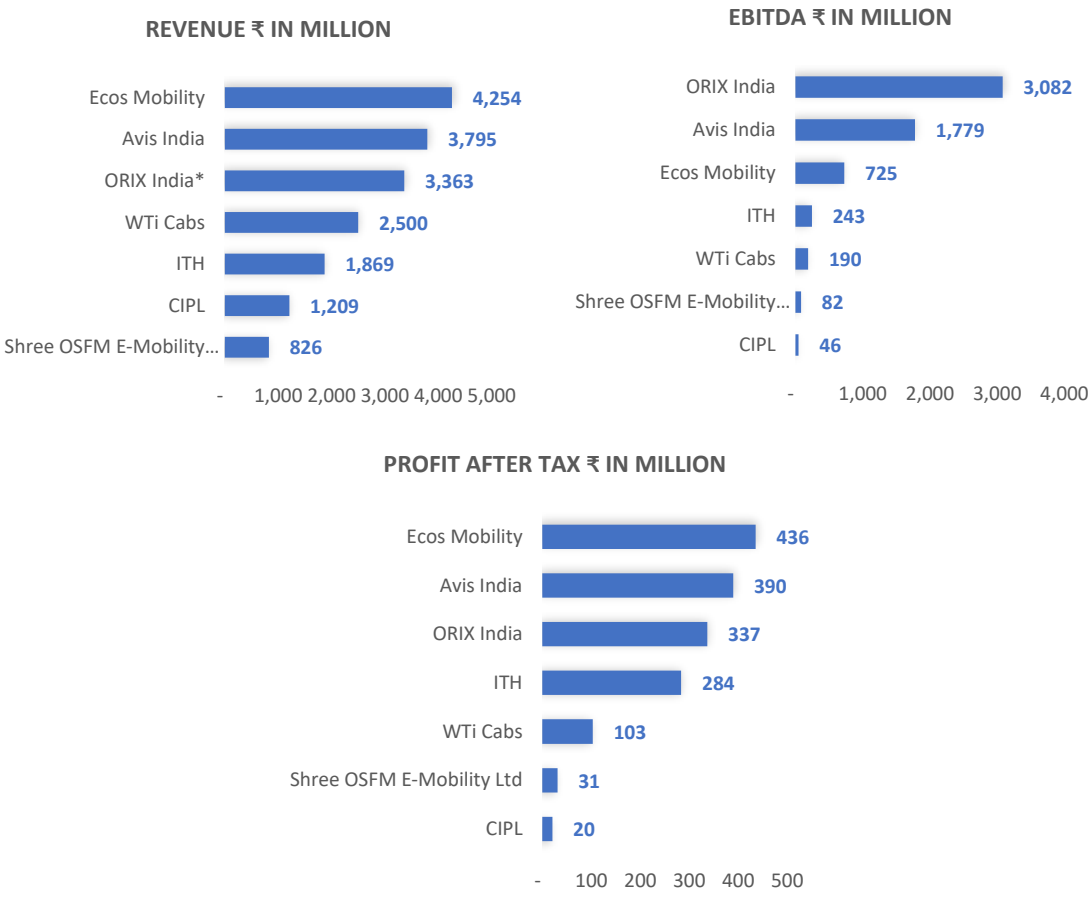
Company Name	Fleet Size	Presence (Cities)	Technology
ECO Mobility	9000+	100+	Website, Mobile App, 24/7 Service Desk, Mobile Driver App, GPS Tracker, Mobile App Integration through Contactless OTP Based Trip Authentication,
Wise Travel India Limited	6000+	11	Website, Mobile Apps – WTi Partner APP, WTi Cab Booking, WTi Retail, app, WTi Cab Driver App, 24/7 Customer Services; Vehicle Tracking, Online Booking, Reservation Management
Carzonrent India Pvt. Ltd.	8000+	13	Website, App, Driver Tracking, GPS billing, Agile cloud computing, Telematics, Mobile app, Automation
ORIX India	4000+	16	Website, App, 24/7 helpdesk, App-driven bookings, In-house tech platform, Employee app, Chauffeur app, GPS billing, Web portal
Mahindra Logistics Limited	5000+ vehicles deployed per day	Major Cities	Website, Mobile App, GPS Tracker, Emergency Response System, Dashboard Analytics to monitor vehicle performance, End to End Tracking from booking to billing
Shree OSFM E-Mobility Ltd.	3500+	10	Website, GPS Tracking, 24/7 Customer Support, Real-time Travel Desk and Roster Management,
Avis India	5000	19	Website, robust networking system, real-time tracking of the cab booked, GPS enabled transparent billing and 24X7 customer support center and Traveler service

12. FINANCIAL PARAMETERS

12.1. Key Financial Metrics (FY2023)

Exhibit 24: Key Financial Metrics, Corporate Mobility, India, FY2023





Source: Annual Financial Report of Companies

Note: ORIX India's business results (except revenue) reflect its consolidated service portfolio, including services beyond ETS and CCR which limits direct comparison with other companies discussed.

Exhibit 25a: Financial Metrics Benchmark, Corporate Mobility, India, FY2023

Financial Metrics (₹ in million), 2023	ECO Mobility	ORIX India	Avis India	WTi Cabs	ITH	CIPL	Shree OSFM E-Mobility Ltd
Total Income	4,254.3	Consolidated – 10,823.0, ETS, CCR Business – 3,363.2	3,794.9	2,499.8	1,869.0	1,208.8	826.1
EBITDA*	724.8	3,081.6	1,778.6	189.6	243.2	45.9	82.4
PAT	435.9	336.9	389.9	103.2	283.9	20.5	30.9
Debt	329.5	34,857.4	3,535.4	264.2	-	85.7	92.1
Equity	1,151.2	7,817.1	1,432.2	406.1	1,231.7	219.8	204.5
Payables	451.8	1,651.0	406.7	428.0	411.4	163.6	78.7
Receivables	653.3	1,225.5	391.6	591.8	724.8	249.5	121.3

Source: Annual Financial Report of Companies. *EBITDA = PAT + Tax + Finance Cost + Depreciation

Exhibit 25b: Financial Metrics Benchmark, Corporate Mobility (Public), India, FY2024

Financial Metrics (₹ in Million), 2024	ECO Mobility	WTi Cabs	Shree OFSM E-Mobility Ltd
Total Income	5682.0	4135.3	1190.6
EBITDA*	1037.6	471.3	141.5
PAT	625.3	241.8	81
Debt	217.2	272.8	109.9
Equity	1774.1	1495.9	531.6
Payables	588.8	530.7	114.7
Receivables	710.6	856.7	189.3

*Source: Annual Financial Report of Companies. Note: FY24 financials available only for 2 peers. *EBITDA = PAT + Tax + Finance Cost + Depreciation*

12.2. Financial Ratios

Exhibit 26a: Financial Ratios Benchmark, Corporate Mobility, India, FY2023

Financial Ratios, 2023	ECO Mobility	ORIX India	Avis India	WTi Cabs	ITH	CIPL	Shree OSFM E-Mobility Ltd
Financial Ratios							
Fixed Asset Turnover	16.04	1.26	0.91	15.48	8.36	11.01	25.94
WC days	17	-14	-1	24	61	26	19
Debt to equity	0.29	4.46	2.47	0.65	-	0.39	0.45
2y CAGR	97%	16%	36%	138%	73%	67%	67%
EBITDA Margin	17%	28%	47%	8%	13%	4%	10%
PBT Margin	14%	5%	13%	6%	10%	2%	5%
PAT Margin	10%	3%	10%	4%	15%	2%	4%
ROCE	47%	2%	23%	27%	15%	13%	21%
ROE	38%	4%	27%	25%	23%	9%	15%

Source: Annual Financial Report of Companies

Exhibit 26b: Financial Ratios Benchmark, Corporate Mobility (Public), India, FY2024

Financial Ratios, 2024	ECO Mobility	WTi Cabs	Shree OFSM E-Mobility Ltd
Financial Ratios			
Fixed Asset Turnover	16.28	18.90	15.84
WC days	7.82	28.77	22.87
Debt to equity	0.12	0.18	0.23
2y CAGR	93.6%	116.0%	98.2%
EBITDA Margin	18.3%	11.4%	11.9%
PBT Margin	14.5%	7.8%	9.0%
PAT Margin	11.0%	5.8%	6.8%
ROCE	46.4%	22.2%	16.6%
ROE	35.2%	16.2%	15.2%

Source: Annual Financial Report of Companies. Note: FY24 financials available only for 2 peers.

Formulae (Exhibits 26a&b):
Fixed Asset Turnover – Total income of FY24/ average of (Property, Plant & Equipment of FY24 + Property, Plant & Equipment of FY23)
WC Days – (Trade receivables – Trade Payables)/ Total Income
Debt to Equity – (Long term Debt + Short Term Debt)/ total shareholder's Fund
2 yr CAGR – square root of (Total income of FY24/ total income of FY22) – 1
EBITDA Margin – EBITDA/ Total Income
PBT Margin – PBT/ Total Income
PAT Margin – PAT/ Total Income
ROCE – (EBITDA – Depreciation)/ (Long term Debt + total shareholder's Fund)
ROE – PAT/ total shareholder's funds

Examining the financial ratios of the top companies in India's Corporate Mobility market (combining ETS and CCR) offers valuable insights into their financial health and competitive positioning.

Operational Efficiency (Basis FY2023 data)

Fixed Asset Turnover: ECO Mobility exhibits the highest asset utilization of 16.04 times for FY2023 (remains almost same as of FY2024 results) among peers, indicating efficient resource management in generating revenue through its asset light business model thereby helping them in catering to the demand without incurring additional capex. ORIX India, despite its broader scope of service portfolio beyond ETS and CCR, shows lower utilization of 1.3 for FY2023, potentially due to diverse asset allocation. This highlights the asset light model of ECO Mobility vs heavy capex models of other key players such as ORIX India and Avis India

Financial Management

Debt to Equity: While the industry players are fairly leveraged due to their capex heavy business model, ECO Mobility maintains the healthiest debt profile with 0.29 times equity for FY2023 (improved further as of FY2024 at 0.12 times equity) owing to its differentiated asset light model, while ORIX India carries the highest debt burden with 4.46 times in FY2023 which warrants close monitoring of its financial stability.

Profitability

Profit Margins: ECO Mobility maintains a healthy profitability with strong EBITDA and PBT margins of 17% and 14% respectively, in FY2023 (remains almost same as of FY2024 results). This is not comparable to players such as Avis India and ORIX India due to the significant difference in their business model which is predicated on fleet ownership rather than the flexible model of ECO Mobility.

ROCE and ROE: ECO Mobility delivered superior return metrics with ROCE of 47% for FY2023 (remains almost same as of FY2024 results) whereas industry players average at 18%. Similarly, at ROE level, ECO Mobility is at 38% for FY2023 (reduced to 35.2% as of FY2024) while industry players average at 20%. Asset-light business model and clear business focus are some of the key factors driving ECO Mobility's leading returns as against some of the peers who have a broader diversified business proposition.

ECO Mobility emerges as a strong contender with high operational efficiency, profitability, and a healthy financial profile. While these ratios provide valuable insights, it is critical to note key differentiators in terms of service portfolio and business model to make a holistic comparison. ORIX India's business results reflect its consolidated service portfolio, including services beyond ETS and CCR which limits direct comparison with other companies discussed.

Among the analyzed companies, ECO Mobility showcased superior performance across operations, financial health in terms of balance sheet, profitability and return metrics. This position, coupled with its high 2-year CAGR (FY2021 to FY2023) of 97%, suggests promising potential for continued growth and competition within the Indian Corporate Mobility market.

DISCLAIMER

This report leverages best-effort estimations, particularly for market size and forecast data. This information is derived from desk research and primarily from interviews with market participants. We acknowledge the limited public availability of this data and present our diligent effort to reflect the current market landscape. This report contains forecasts, estimates, predictions, and other forward-looking statements. These statements are inherently uncertain due to potential changes in underlying assumptions, unforeseen events, or combinations thereof. Actual results and future events may differ materially from these forward-looking statements.

While we exercised great care in preparing this report, we cannot guarantee the information's absolute accuracy or completeness. We are prepared to consider valid inputs that may contribute to refining the data presented; however, we cannot accept responsibility for any discrepancies between our estimates and the actual market conditions. Given the limited publicly available data, consider the information presented as indicative rather than definitive. For any transaction decisions, the recipient should independently investigate and analyse all relevant information contained within the prospectus (of which this report is a part). The recipient must rely on their own examination, the transaction terms, and any relevant discussions. The contents of this report should not be construed as business, financial, legal, tax, or investment advice. We advise recipients to consult their own business, financial, legal, tax, and other advisors concerning the transaction.

Update (09.08.2024)

At the request of the client, a review of specific sections of this report has been conducted to provide updated insights. Updates have been incorporated only where new information related to the specified metrics or trends is available. Please note that if certain changes have occurred but are not publicly documented, they may not be reflected in this report update.

As before, this report leverages best-effort estimations and desk research and is intended to offer an indicative overview rather than a definitive analysis. Consequently, any changes in the market landscape that are not readily accessible or verifiable may remain unaddressed.