

**Rating: Subscribe for long term**

### Issue Offer

The IPO is a book-built offering comprising a fresh issue of 30,00,000 equity shares, with a total issue size of up to INR 270 Mn.

### Issue Summary

Price Band INR	85-90
Face Value INR	10
Implied Market Cap INR Mn.	1,002.91
Market Lot.	1,600
Issue Opens on	Feb 12, 2025
Issue Close on	Feb 14, 2025
No. of share pre-issue	81,43,527
No. of share post issue	1,11,43,527
Listing	NSE, SME

### Issue Break-up %

QIB Portion	≤ 50
Retail Portion	≥ 35
NII Portion	≥ 15

### Registrar

Kfin Technologies Ltd

### Book Running Lead Managers

GYR Capital Advisors Private Ltd

	Pre-Issue	Post-Issue
Promoters	92.88%	67.87%
Public & Others	7.12%	32.13%

### Objects of the issue

- Funding working capital requirements of the company worth INR 203.82 Mn.
- The remaining proceeds from the offer will be used for general corporate purposes, the amount will not exceed 25% of the gross proceeds of the issue.

Voler Car, incorporated on June 24, 2010, specializes in providing Employee Transportation Services (ETS) to IT/ITeS firms, large corporates, and MNCs across major Indian cities, including Kolkata, Mumbai, Pune, Bhubaneswar, Delhi-NCR, Ahmedabad, Lucknow, Jaipur, and Ludhiana. Operating on an asset-light model, it manages a fleet of over 2,500 vehicles, including EVs, sedans, SUVs, and tempo travelers, ensuring seamless home-to-office transportation. With 24/7 operations, GPS tracking, and strict safety protocols, the company prioritizes reliability and employee security. Long-standing client relationships and technology integration have strengthened its market presence. Supported by experienced leadership, the company continues to scale efficiently, offering cost-effective and sustainable mobility solutions to corporate clients.

### Investment Rationale:

#### Key Player in Employee Transportation Services (ETS) with Established Client Base:

The company operates in ETS market, primarily catering to large IT/ITeS firms, MNCs, and corporates across 9 cities in India. A key strength is its long-standing relationships with major clients. Notably, Wipro Limited has been a client for 14 years, contributing 68% of Volercars' revenue in FY24. The company also has decade-long relationships with other major corporate clients. In FY24, they completed over 0.32 Mn trips, averaging 884 trips per day. By November FY25, daily trip volume increased to over 1,183, indicating strong demand growth. The company's ability to deliver reliable, safe, and technology-driven transport solutions positions it as a preferred ETS provider for large organizations.

**Expansion into Tier-1 and Tier-2 Cities to Drive Growth:** By 2028, 57% of India's urban workforce is expected to be based in Tier-2 & 3 cities. This shift presents a huge untapped market for employee transportation solutions. Many IT/ITeS firms, Global Capability Centers (GCCs), and multinational companies are setting up offices in these cities to reduce costs and attract regional talent. Currently, the company operates in 9 major cities but plans to expand into key Tier-1 cities and Tier-2 cities to capitalise on India's rising urban workforce and the growing demand for corporate mobility solutions.

**Asset-Light Business Model Enabling Scalability:** Out of its total fleet of 2,514 vehicles, only 4 electric cars are leased, while the rest are aggregated from third-party vendors. Assets light business reduces CapEx, allowing the company to scale operations without heavy investments in fleet acquisition and maintenance. Additionally, the company integrates GPS tracking and third-party software solutions to improve operational efficiency, track vehicle movements, and provide real-time updates to corporate clients.

**Strong Revenue Growth and Improving Profitability:** In FY24, revenue stood at INR 308.97 Mn, a 28.95% YoY growth. EBITDA margins expanded to 19.31% in FY24, up from 11.46% in FY22, indicating operational efficiency improvements. Profitability has also improved significantly, with PAT rising from INR 7.88 Mn in FY22 to INR 35.63 Mn in FY24, leading to an 11.53% PAT margin. The company's RoCE surged to 123.06% in FY24, reflecting efficient capital utilization.

### Valuation and View:

The company's focus on cost optimization through vendor partnerships and operational automation further enhances its profitability potential. Strong operational efficiency, with over 0.32 Mn trips completed in FY24, highlights its execution capabilities. A key differentiator is its technology integration, including GPS tracking, automated scheduling, and safety features, ensuring seamless employee transportation. Additionally, Volercars is actively adopting electric vehicles (EVs), with 415 EVs already in its fleet, aligning with India's push for sustainable transportation. **At the upper band of INR 90, the issue is valued at a P/E ratio of 19.11x, based on a FY24 EPS of INR 4.71. We are recommending a "Subscribe for long term" rating for this issue.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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