February 17, 2025

To
The General Manager
Department of Corporate Services,
BSE Limited
Phiroze Jee Jee Bhoy Tower
Dalal Street, Fort
Mumbai – 400001
Scrip Code: 544239

To
The General Manager
Department of Corporate Services,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kural Complex,
Bandra (East), Mumbai – 400051
Symbol: ECOSMOBLTY

Sub: Transcript of the earnings conference call for the quarter and nine month period ended December 31, 2024

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed the transcript of the earnings conference call for the quarter and nine month period ended December 31, 2024, conducted after the meeting of Board of Directors held on 12th February, 2025, for your information and records.

The above information is also available on the website of the Company i.e https://www.ecosmobility.com/

This is for your kind information and record please.

Thanking You,

For Ecos (India) Mobility & Hospitality Limited

SHWETA BHARDWAJ Digitally signed by SHWETA BHARDWAJ Date: 2025.02.17 17:41:32 +04'00'

Shweta Bhardwaj
(Company Secretary & Compliance Officer)

“ECO (India) Mobility and Hospitality Limited

Q3 FY25 Earnings Conference Call”

February 13, 2025

MANAGEMENT: MR. RAJESH LOOMBA – CHAIRMAN AND MANAGING DIRECTOR – ECO MOBILITY AND HOSPITALITY LIMITED

MR. ADITYA LOOMBA – JOINT MANAGING DIRECTOR – ECO MOBILITY AND HOSPITALITY LIMITED

MS. DEEPALI DEV – CHIEF OPERATING OFFICER – ECO MOBILITY AND HOSPITALITY LIMITED

MR. HEM KUMAR UPADHYAY – CHIEF FINANCIAL OFFICER – ECO MOBILITY AND HOSPITALITY LIMITED

MODERATOR: MS. SAVLI MANGLE – ADFACTORS INVESTOR RELATIONS

Moderator: Good morning, ladies and gentlemen. Welcome to the Q3 FY25 ECO Mobility and Hospitality Limited Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is been recorded.

I now hand the conference over to Ms. Savli Mangle from Adfactors Investor Relations. Thank you, and over to you, ma'am.

Savli Mangle: Thank you, Muskan. Good morning, everyone and a very warm welcome to our Q3 and 9 Months FY25 Earnings Conference Call. To guide us through the results today, we have the Senior Management Team of ECOS (India) Mobility and Hospitality Limited, headed by Mr. Rajesh Loomba, Chairman and Managing Director, Mr. Aditya Loomba, Joint Managing Director, Ms. Deepali Dev, Chief Operating Officer and Mr. Hem Kumar Upadhyay, Chief Financial Officer.

Before we begin, I would like to state that some of the statements made today in today's discussion may be forward-looking in nature. The actual results may vary as they are dependent on several external factors. With that said, I now hand over to Rajesh to share his comments. Thank you, and over to you, Rajesh.

Rajesh Loomba: Thank you, and good morning. Namaskar, everybody. Thank you for joining the Q3 FY25 ECOS (India) Mobility and Hospitality Limited Earnings Conference Call. ECOS Mobility, we have established ourselves as a leading provider of corporate mobility solutions in India, offering a comprehensive range of services tailored to the evolving needs of the businesses. As many of you would be aware, I'll still repeat our primary offerings include corporate car rentals, what we call CCR.

ECOS Mobility provides a diverse suite of vehicles, ranging from economy to luxury, along with the trained chauffeurs. This service we cater to corporate clients, travel companies, event management companies across more than 109 cities in India and over 30 countries globally. Commitment to quality and reliability has earned us the trust of numerous Fortune 500 companies, BSE 500 companies amongst others.

Our other offering is employee transportation services, which we call ETS. Here, we offer customized solutions for employee pick-up and drop, home-office-home, while at the same time ensuring safety, punctuality and efficiency. Now, this service is particularly beneficial for our major target clientele, where comprising of IT, ITES companies, global capability centres, or GCCs as they're commonly known and manufacturing firms.

Our focus on employee satisfaction enhances productivity and morale and most companies offer this as a benefit and a service for their employees. Now, the Indian corporate mobility market is experiencing pretty good, robust growth. It's driven by economic expansion; regulatory changes and the technological advancements we see around us. Both ETS and CCR are evolving to meet the changing needs of businesses and individuals.

The sector is predominantly dominated by unorganized players still and catering to price-sensitive customers. However, as the industry matures, further integration of the organized sector will lead to a more structured and efficient corporate mobility system and that is what our vision is. Now in this scenario, we remain committed as ECO to increasing our wallet share from our existing customers.

Additionally, we are constantly attracting new clients and expanding into Tier 2 and Tier 3 towns across India. This year we have added over 130 clients, which we consider the clients are our strongest asset we believe. But also, the trust we've built with the marquee clients over this financial year and over the years before.

Now the clients that we've added this year, I'm happy to inform you they're leaders in their respective sectors. They're large IT MNCs. They're one of the largest – one of them is one of the largest port logistics providers in the world, then we have very well-known and very well-respected global management consultants that we've added. Many financial services firms, many private equity firms and also prominent consumer goods companies of India. So, these are some amongst the 130 that we added just in the last 9 months.

Now, having earned the trust of industry leaders across most of the sectors that we are present in as our target audience, we are confident that these clients will remain with us for the long term, helping us derive what is most valuable to us which is a very high lifetime value, and which helps drive our sustainable growth in the future. Now, ECO's resilience is anchored in the trust we've established with our customers.

Even right now, we're facing a very volatile industry landscape that's marked a rising competition and pricing pressures in both our established and our emerging markets, but in spite of that we have managed to grow this well. Our focus remains on our fundamental target audience which is the B2B space, comprising corporate and travel and events, as I mentioned earlier.

So, we expect to achieve a top-line growth of around 16% to 17% this year, with margins in the range of 13% to 15% as per our estimates currently. At the same time, we will continue to drive brand premiumization, delivering tailored solutions for an unparalleled customer service, which is what customers come to us for and driving the operational excellence that will position us for robust growth in the future.

So, with a strong emphasis on technology, chauffeur training, quality control, ECO is well-positioned to continue its growth trajectory, taking advantage of the expanding market and the shift to more organized working in this industry and meeting the evolving demands of the corporate mobility sector. I'll now hand it over to Hem, our CFO who's here with me. He'll take you through our financial performance.

Hem Kumar Upadhyay: So good morning, everyone, all the listeners and thank you, Rajesh. So, I'd just like to take through our financial performance for this period under review. In the first 9 months of FY25, our revenue from operations stood at Rs. 4,767 million as compared to Rs. 4,054 million in 9 months FY24, reflecting a year-on-year growth of nearly 17.5%. So, this growth aligned with the expansion of our two core businesses that is chauffeur car rentals and the employee transfer service during this period.

EBITDA for 9 months FY25 was Rs. 659 million as compared to Rs. 678 million in 9 month FY24. Our EBITDA margin for 9 months FY25 stood at 13.83%, down by 289 basis points from 16.72% in the period of 9 months FY24. The declining margin was primarily due to pricing increase, higher operating costs, increased indirect expenses and some of these indirect expenses were associated with events and festivals occurred or incurred during this period.

Our PAT stood at Rs. 420 million in 9 months FY25 as compared to Rs. 445 million in 9 months FY24, leading to a decline in PAT margin by 260 basis points compared to the same period of last year. This was due to increased depreciation costs from new fleet addition, higher direct and indirect expenses and slightly reduction in the unrealized gain on the investment which we have in the mutual funds and equities. So, thank you all for listening. Now I will hand over to Mr. Rajesh for the concluding remarks.

Rajesh Loomba: Thank you, Hem and thank you to all our clients, partners, the ECOS team and our stakeholders and shareholders. We remain committed to the growth, to innovation and to setting new benchmarks in the industry. Our goal is to continue building value for all our stakeholders, and we are at it. We are open to take any questions that you may have.

Moderator: Thank you very much. We will now begin the question and answer session. First question is from the line of Jainam Shah from Equirus Securities Private Limited. Please go ahead.

Jainam Shah: Yes. So basically, starting with the first question which is related to gross margin. If we see a quarterly trend last year, the gross margin were in the range of near to 30% on an average. And if we see the current year trend, it is near to around 27% on an average. So just wanted to have your thought on the gross margin and what we can expect going forward in terms of this gross margin.

The second question is if we see our other expense trend, it has been in the range of INR4 crores to INR5 crores on a quarterly basis. It has jumped to around INR7 crores this quarter. So just wanted to see if there is any one-off because we have mentioned the one-off in the press release as well. So, if there is some one-off what is the quantum of that one-off and what could be the rate going forward for these other expenses?

And on the EBITDA margin front, earlier guidance was near to 15.5% or 16% on a longer term basis. Right now, it has been reversed to 13% to 15%. So, what is eventually change which is leading to this lower EBITDA margin percentage? And just one clarification on the guidance that you have given on 16%, 17% growth and 13%, 15% margin. This is for FY26?

Rajesh Loomba: This is for FY25. So, to answer your first question, yes, it is the last few months we have seen an increased competition which has put a pricing pressure which has also led to a decrease in our gross margins. We are re-strategizing currently to understand the trajectory going forward so that we may be able to get back some of the margins that we have lost. So yes, it is there due to an increased competition in the market, and I guess an industry which was a little below the radar has come more to the forefront.

And resultingly the competition has grown which is a fact and we have to face that. As regards your little increased costs in the indirect expenses, so this quarter we saw some one-off, one-time expenses which saw a higher expense including some expenses on events and festivals that we spent. Also, certain GST input reversals were there which was a one-time which was factored into this quarter.

Also, certain excess charges in terms of we had to pay off for the server hosting. So, this added to the extra approximately Rs. 2 crores of costing. So, if you look at on a quarter-to-quarter basis, if we see a decline of around 2.9% in our EBITDA. I would put around 0.9% quarter-to-quarter to the increased operating costs due to the pricing pressure and 2% would be due to the one-off expenses that we incurred. I hope I was able to answer your question.

Jainam Shah: Got it. And sir on the EBITDA margin guidance what would be the range that we can estimate for FY26 and even if you would see the growth guidance as well for FY26?

Rajesh Loomba: Yes. So, while we are very hopeful of doing better than what we are doing currently and even the quarter that is currently undergoing, we are seeing a good jump back into the business with our CCR business also increasing, but at the same time we want to be a little conservative and watch the situation. And also, like I mentioned, we are re-strategizing to understand how we can improve and increase our margins while there may be pricing pressure, but at the same time, we also have some leeway to increase and to better our purchase price and that is what we would endeavour to do in the next year.

Jainam Shah: Got it, sir. Just one bookkeeping question. If you can provide the bifurcation between ETS and CCR for the quarter and even for the corresponding quarter last year?

Rajesh Loomba: So, this last quarter, we did around 43% was CCR and 57% was ETS. And for the whole year, I think we will end up with around 42% for CCR and around 58% for ETS. Similar should continue for the next year also.

Jainam Shah: And the number for ETS and CCR for the last year, third quarter, like 3Q FY24, we had like 49-51 in 1H last year FY24. Now what could be the number for 3QFY24?

Rajesh Loomba: I'm sorry, I didn't understand the question.

Jainam Shah: Yes, so this quarter we have 43% CCR and 57% ETS. What would be the corresponding number last year same quarter, third quarter FY24?

Hem Kumar Upadhyay: It was around 44 and 56.

Rajesh Loomba: It was around 44, 56.

Jainam Shah: Okay, got it, sir. And sir the one-time expense you're talking about, is this kind of recurring in this particular quarter - third quarter of the year or it is just one time that we are having like some events and festivals and all it will be recurring going forward as well?

Hem Kumar Upadhyay: So, some of the expenditure, my most of the expenditure are one time. And the certain expenditure like server hosting and some professional charge, we have already taken care of all the arrear part, accrual part. Now it will be on the routine basis, so it will not impact much going forward.

Jainam Shah: Got it. So just one last question from my side. I just wanted to understand your business metrics. As you said that competition has increased, which is eventually leading to you can say, cutting the pricing or eventually it is impacting our margins, but from the supply side, is it like that there is a shortage of the supply of the vehicles and drivers and all and eventually fuel cost has been largely similar.

And we can see that we don't have any major control over the costing that we'll be paying this much to the driver or the owner and this much percentage will be going to them. There will not be any change in that percentage eventually. And whatever is the outcome of this reduction is gross margins mainly on the sales side?

Hem Kumar Upadhyay: So here there is no - as far as we are concerned, we don't see any dearth of supply for us. At the same time, while we are like I mentioned, where we will endeavour to increase our margins, but we also have to see that we leave enough on the plate for our vendors too, for a sustainable supply to exist. So, we have to draw a fine balance over there.

Jainam Shah: Got it. And sir just one more thing. The pricing pressure and competition that we are talking about, it is across the segment, it is in CCR, or it is specific to any one of the segments?

Hem Kumar Upadhyay: Yes, it is across the segments, and we have faced this. That's where our over 30 years of experience hopefully should come in handy. We've faced that cycle earlier also. And we've been able to tackle them well before also and I'm sure we will tackle them well now too.

Jainam Shah: Got it, sir. That's it for my side. If I have anything, I'll just join the queue. Thank you so much. Thank you.

Moderator: Thank you. The next question is from the line of Senthil Kumar from Joindre Capital Services. Please go ahead.

Senthil Kumar: Thanks for the opportunity. Sir, in the last conference call, management said that the margin was impacted due to the higher contribution from ETS business, that the cost of operations is higher than the CCR business. They also said that CCR business is picking up from September onwards, so that should lead to the higher margin in Q3 and Q4 of FY25, but when I see this quarter also, we are seeing a 26% jump in cost of services and 300 basis points dip in EBITDA margin. So just now you have stated that there is no big difference between the revenue mix between CCR and ETS business? So, my question here is, if the CCR business is still facing challenges to grow, if yes what could be the growth driver for the CCR business going ahead?

Rajesh Loomba: Yes, thanks for your question, Mr. Senthil. It's a valid one. So, while we see a 3% drop in the EBITDA margins like I mentioned earlier, only around 0.9% is contributed by a drop in the margins, while the 2% is because of the one-off expenses. At the same time, even though the proportion of CCR business has grown, but yes there has been pricing pressure where we had to reduce rates in CCR also because of the realities of the market on the ground. And so that is the reason for a drop in the gross margins in spite of an increase in the CCR business.

Senthil Kumar: Okay. And my second question regarding this global operation, actually we are receiving a revenue of less than 2 percentage from the global operations. So, I just want to know what is the management's rationale behind the investments in the overseas business because now the overseas business is extremely competitive, especially in Europe with the fantastic public transport infrastructure. I just want to know your thoughts on this.

Rajesh Loomba: So, we are primarily serving the Indian market. So, in that case, we still see a huge scope for growth of the business because currently they may be booking directly which is where we see an opportunity to tap into that market and there we are now constantly increasing. So many of our clients have already more of our clients have started using our services overseas and we are keeping on adding on every day, signing up with new existing clients who now are starting to use us overseas.

So, while in the entire year, last financial year, we did around Rs. 5 crores of business in serving our clients internationally. In this 9 months, we've already crossed around Rs. 8 crores of business for our international operations.

Senthil Kumar: So, is EBITDA positive years as international business?

Rajesh Loomba: Yes, absolutely. It's in model, it's asset light and all managed out of India with a high ticket size.

Senthil Kumar: So, US is the main contributor US region?

Rajesh Loomba: Europe, Middle East and US, all three.

Senthil Kumar: Okay, sir. Thank you. That's it from my side. I joined the queue.

Moderator: Thank you. The next question is from the line of Mohit Vijay from Oculus Capital Grow Fund. Please go ahead.

Mohit Vijay: Yes. I just want to ask what's the future outlook for the industry and for the company and also future outlook for the margins?

Rajesh Loomba: So, the future outlook looks good for the industry as a whole with the growth of the economy, growth of tourism. I'm not sure about the global scenario with a lot of volatility being seen with the Trump tariff, how that may affect international travel. But domestically, I think the business scenario and the travel scenario in India looks very, very positive as we can see from the results of the hotel companies, etcetera also.

At the same time, we are seeing an increased competition within the sector, within India and which is where we are facing certain pricing pressures. But from the growth point of view, we don't see any challenge in the growth of this business. A part of our growth is also dependent beyond the GDP growth and the travel growth. We also see a lot of growth happening because of the transfer of business from the unorganized to the organized. So that is an additional delta that adds on to the growth and that is how ECO is able to generate a higher growth than the industry.

Mohit Vijay: So, sir, after shifting of the industry from unorganized to organized sector, as this shift is going forward, so will the margins going forward contract or will it remain in the same level?

Rajesh Loomba: I think the margins should remain near about the same level or a little bit increased if we are able to improve our pricing with our clients or at the same time also improve our pricing with our vendors on the other side. So, we are looking at both these aspects as we move ahead.

Mohit Vijay: Okay, thank you, sir.

Moderator: Thank you. The next question is from the line of Amit Agicha from HG Hawa. Please go ahead.

Amit Agicha: Congratulations for good revenue, sir, but EBITDA margin is a little bit affected anyways. My question was connected with the cash balance. How does the company plan to utilize it and what is the company's debt strategy? Is there any plan for debt reduction or leveraging further?

Rajesh Loomba: Thank you. And I can understand the disappointment with the EBITDA or the profitability in this quarter, but in my experience, it's been more than 30 years and such cycles do happen. We have to have the resilience and the focus to maintain our path and ensure we concentrate on the business to serve our clients in such a manner that they do not have any other option other than ECO when they move around. Can you just repeat the other part of your question?

Amit Agicha: My question was connected with the what is the current cash balance, how does the company plan to utilize it and what is the company's debt strategy like is there any plan for debt reduction or leveraging further?

Rajesh Loomba: So, we are almost at a very negligible debt. If you see our debt ratio, it has consistently gone down and is now I think only 0.2% sorry 0.04% is our debt-to-equity ratio currently. So, we have negligible debt. We don't intend to take on more debt. We have a healthy cash position. We are still looking at targets for acquisition. At the same time, we would be looking to utilize that for giving out a good dividend also end of this year.

Amit Agicha: All the best for the future, sir.

Moderator: Thank you. The next question is from the line of Lokesh Maru from Nippon India Mutual Fund. Please go ahead.

Lokesh Maru: Thank you for taking my question. Sir just one question around margin. So gross margin has come off 500 basis points which is a big jump, big drop. I mean, pre-IPO, post-IPO in that context. What has changed? I'm sure you have seen this for a long time, but just to emphasize more on competition has been there throughout the entire time. So, what has changed in last two quarters or last quarter per se on either on pricing front or either on the sourcing front? If you could elaborate a bit more?

Rajesh Loomba: So as compared to the last year, the margin drop is not from 500 basis points to the best of my knowledge. I think it's around 250 basis points.

Lokesh Maru: That is a EBITDA. I think gross is much larger?

Hem Kumar Upadhyay: It's a 289 basic point if we compare 9 months of FY25.

Lokesh Maru: Sorry, I was comparing quarter-on-quarter, last quarter Q3 FY24 and Q3 FY25?

Rajesh Loomba: We will get back to you directly on that. We don't have that number with us currently. Hem does not have it with him right now offhand. So, we don't want to say anything now, but we don't think it is 500 basis points. But at the same time, the reasons are the same if you're comparing quarter-to-quarter. There is a pricing pressure and that's a reality which has set in over the last 4 months, 5 months due to the increased competition.

But we think as compared to the rest of competition, we're better positioned to manage it and in fact take advantage of it and win over newer accounts and increase the acquisition of our clients basis that also. So, we're trying to look for opportunity in a situation.

Lokesh Maru: Sir, the competition would be more from the organized peers or is it against the unorganized ones?

Rajesh Loomba: It is from both; it is a mix.

Lokesh Maru: Okay.

Moderator: The next question is from the line of Riken from Capri Global. Please go ahead.

Riken: I just have one question. I just wanted to understand that given the long track record that the company has had, typically when does one see this, what triggers the heightened competition that we are currently seeing? In the past, what have been the various factors which have led to such competition? And currently, what do you see as the - because we are seeing good top line growth, which means that business growth is not an issue for us.

Then what really are the various factors which are driving this increased competition in the market, and you could draw some parallels with what had happened in the past if you could help us understand this better, please?

Rajesh Loomba: Sorry I think the call got disconnected. So, the EBITDA in Q3 of FY24 it was 15.42% and this Q3 it is 12.85%. So, it's by 257 basis points not 500 basis points. But the reasons remain the same at the same time and what I had just already mentioned which is where we are expecting this year to close between 13% to 15% of EBITDA. So that is what I had mentioned earlier also.

Moderator: Yes, sir. Can you just repeat the question?

Riken: Can I go ahead with my question now?

Moderator: Yes, sir.

Riken: Thank you so much for the opportunity. Sir, I just have one question. I wanted to understand that based on past instances, if you could outline as to typically what are the factors which drive such escalation in competitive activity and currently also while business growth has been good for us, then what is it that is triggering such heightened competitive activity in the market?

Rajesh Loomba: But half in just what I can say is maybe we have been a victim of our own success. And the IPO may have also helped bring this industry more into the limelight, which is where we are seeing previously unknown competition also entering into this industry and they may have a root shock in a few some time when they really understand it's not as easy as it looks. So, there are these blips when you get competition and it takes time for everybody to learn about the business and understand the business, but in the meantime, a lot of times they do what is the easiest to do which is to drop prices. And at the same time, we have to face the competition anyhow. And we still have to grow sustainably and profitably and our strong brand in the corporate sector does help us a huge lot to do that.

Riken: Okay. Got it. Thank you.

Moderator: Thank you. The next question is from the line of Naushad Chaudhary from Aditya Birla Mutual Fund. Please go ahead.

Naushad Chaudhary: Hi. Thanks for the opportunity and congrats on decent top line. Coming back to margin side, you have indicated 25%, you would close 13% to 15% and by when do you think this should normalize and you may go back to your 16%, 17%. What one should expect from in FY26 on the margin side?

Rajesh Loomba: So, something that I have learned over the last 6 months, 8 months a relatively young period in the capital market is to under promise and over deliver. So, while we are understanding the situation and the ground reality and the change because of the dynamic nature of any business anyway, but with an increased competition, it does bring a new dimension that we had not factored in maybe earlier to a lesser extent maybe.

So, we are endeavouring that how we can still stay ahead of the competition and recover the lost margins in the next year is going to be our endeavour, of course, always. We have the just like any business and as a majority shareholder, it's in our interest to make sure that we keep increasing and making all our energies and efforts to increase margins constantly. That's the nature of the business. So that you can rest assured we are at it.

Naushad Chaudhary: And can it be worse than what you have just experienced?

Rajesh Loomba: I don't think so. I think we're seeing a peak of the competition that is coming in, but I cannot say, but I don't think so with our experience and our brand in the corporate mobility sector, we think we should be able to come out a winner as compared to all the others.

Naushad Chaudhary: Second on the scalability piece, we generate very high and healthy ROCE in the business. And is there an idea to compromise and let some benefit go to our stakeholders like your vendors and all to scale up the business first because there are so many unorganized players, many low-hanging fruits and business is scalable the way we have managed it.

Is there any thought on that piece making 60, 70% ROCE versus making 20%, 30% also, if we can scale it up from current base to 2, 3x of our revenue size, shouldn't that be a good idea?

Rajesh Loomba: So, we have grown and done a business in a certain way over so many years and done it quite successfully. At the same time changing positions, changing dynamics can make a case for a change in strategy which we are constantly, internally looking at and discussing. And we would take the - hopefully we'll take the right decision on if there is a change in strategy to grow by utilizing more capital. It brings its own challenges, but yes, the ROCE would go down. We're cognizant of that.

We have not yet taken any kind of major steps in that direction, but yes, we are considering so we shall see what is the best strategy that works out, which balances out growth and profitability and the efficient use of, most efficient use of the capital that we can.

Naushad Chaudhary: Okay and last I missed a few initial remarks. If you would have touched upon this on a growth side, would you like to revise your growth guidance given the run rate has meaningfully improved versus what was expected? What kind of growth we should expect in a full year of 25 and 26?

Rajesh Loomba: So, we are enjoying healthy pipelines. Like I mentioned, we have increased our sales team, and we are currently in the process of drawing up our AOP for the next year. Definitely, we would do better than what we have done so far. Considering it takes time for the sales teams to settle in, develop their pipelines, etcetera. And we are hopeful of bettering what we've done. And we would have a clearer picture once our AOP is completely finalized.

Naushad Chaudhary: All right. Thank you so much. All the best.

Moderator: Thank you. The next question is from the line of Jainam Shah from Equirus Securities Private Limited. Please go ahead.

Jainam Shah: Yes, so thanks for the opportunity again. So just wanted to understand on the contract negotiation part like what is the period we generally negotiate or increase our pricing with the existing customer like is it the financial year end or the financial year beginning or any specific period that is majority of the contract would be due for the renewal?

Rajesh Loomba: It's mostly at the beginning of the financial year.

Jainam Shah: Got it, sir. So just wanted to check on this part and let's assume that we are at the feb end and how will be doing the contract negotiation in the month of, let's say, March end or April or even in the May. At that point in time, is there anything that you are wanting to highlight in terms of pricing pressure or something because your financials are now public, so the other players will also be looking at what numbers you are making versus what others are making.

And eventually they'll be doing some contract negotiation in that part in basic it will impact your margins going forward as well. So just wanted to check on that part. Of course, we are knowing that competition has been there, but major contract negotiation will be coming in April or May, despite that it has impacted our margin in the last two, three quarters?

Rajesh Loomba: Yes. Whatever are due for renewal typically would come in those months and not all contracts get due because contracts typically vary between 3 to 4 years. At the same time, the negotiation is more sophisticated than just about price. There's so many other technical matters that the clients look at and the value that ECO gives as a company. And of course, pricing matters has a very large role in that, but at the same time there are other factors also to be considered.

And so, we will only get to know at the time of negotiation and each negotiation, each client is different, but these are margins that have been maintained over many, many years. And we don't see there being too much of a effect on that. And it can go both ways. It can go - the pricing can go up also, a little down also, but inflation also has to be considered. So, the various factors, hard to say and give a general trend to how this will grow.

Jainam Shah: Got it. And just one bookkeeping question. Revenue for the 9 months has been up around 17.6% in total. I just wanted to check the customers that you would have added in the latest year, how much would be contributed from them in total and what could be the organic growth from the customers that you were already having at the last financial year end, any thought process?

Rajesh Loomba: So, we have from the last financial year one number I do have handy is that in our existing customers, we saw growth of around 23%. So, we saw growth of 23% from existing customers from the same period from last year to this year.

Jainam Shah: So, because revenue has been increased by around 17.6% only in the 9 months and we added 130 overall clients in this 9 months. So just wanted to check like we would have lost any customers?

Rajesh Loomba: So, what happens is when you add on new clients, it takes time for the new client's business to be built up. So, assuming I've added 130 clients in the last quarter. So, these clients will actually start giving a substantial part of the business towards the end of the next quarter.

Jainam Shah: Got it. And sir this newer client addition that we are doing, it is mainly for which segment ETS or CCR?

Rajesh Loomba: Both, we've done for both. We have added I think almost nine clients in ETS and the balance in CCR.

Jainam Shah: Okay. And sir this do we have any minimum guaranteed income from any of the client or it is just that we added and then whatever they will be giving, it will be adding up to the revenue?

Rajesh Loomba: No, we do not have any minimum guaranteed income that any client guarantees us as such, but we have an estimate of how much business that they do during the year. And then it's up to us and our service levels as to how much of the valid wallet share of that client we can take. If it is a client which is using multiple vendors and if we are the sole vendor, then we can expect to get 100% of the share of the business of that particular client.

Jainam Shah: Got it. That's it from my side. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Ashish Shah from Business Match. Please go ahead.

Ashish Shah: Hi, good morning, sir. Thank you for taking my question. Sir, I have two questions. So, one would be pricing front, since you've been around in this business for such a long time, what's your sense when you compare this to the previous period in terms of pricing? How does that look and if you can share some of that with us for us to get this confidence that pricing is in the lower end now?

Rajesh Loomba: Yes. So, what happens is what we have seen, I can share anecdotally only with you is that there comes a time if suddenly the supply increases or many new competitors would come in like this. So, a lot of times what they do is easiest way to put in the door and put in the door is to drop your prices, then drop the prices, but do they have the expertise and the resources to deliver the service.

In many cases and that too on a pan-India or a global basis, in many cases they don't. They're not able to live up to customers expectations and then customers start to replace them again. And I've seen this happen many cycles before. So, this basically plays out for a few months every time. And then when customers start looking for getting their quality suppliers back, then prices start rising back again. So that is how the same cycle is played out.

Ashish Shah: Sir hence this new customer acquisition. So, is it so easy for competition actually to get in roads with these corporate clients?

Rajesh Loomba: It's not easy to get into the large corporate clients, but yes smaller. It may be with the lure of the cheaper prices, but at the same time they do put the pricing pressure, and I don't disagree with the client if they use a competition pricing to bring your pricing down.

Ashish Shah: Sir one last question was in this new client acquisition about 130, 9 months? Is it predominantly the same areas which are our strongholds which is this Gurgaon, Delhi, Noida, and some of the other places or have we managed to acquire clients at some newer regions?

Rajesh Loomba: So, our stronghold in terms of client acquisition is not just Delhi, Gurgaon, Noida. We have majority of our business actually animating from Bangalore today, then followed by Gurgaon, then Mumbai, then I think Pune and Hyderabad are similar and then Chennai and then Kolkata.

Ashish Shah: So, the new client acquisitions are pretty much in...

Rajesh Loomba: They're across the country. We have strong sales teams across India.

Ashish Shah: Okay, thanks. And sir one last thing the pricing pressure that you've seen, any change in your working capital cycle or it continues to remain the same?

Rajesh Loomba: It's the same. There's no change.

Ashish Shah: Okay. Thank you, sir, and all the best.

Moderator: Thank you. As there no further questions from the participants I would now hand the conference over to the management for closing comments. Over to you, sir.

Rajesh Loomba: So, thank you, everybody for your patience in taking these calls and for your questions which are very valid. We really appreciate the trust that you have imposed on us and we hope that we will in the future also be able to live up to it. I can understand the disappointment in the margins, etcetera, but it's the nature of the business and things can get quite dynamic on the ground and we hope to be able to live up to expectations in the future.

Moderator: Thank you. On behalf of ECOS Mobility and Hostility Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.