

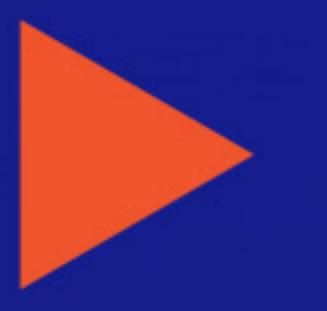


Roundup of Indian sectors

March 2024



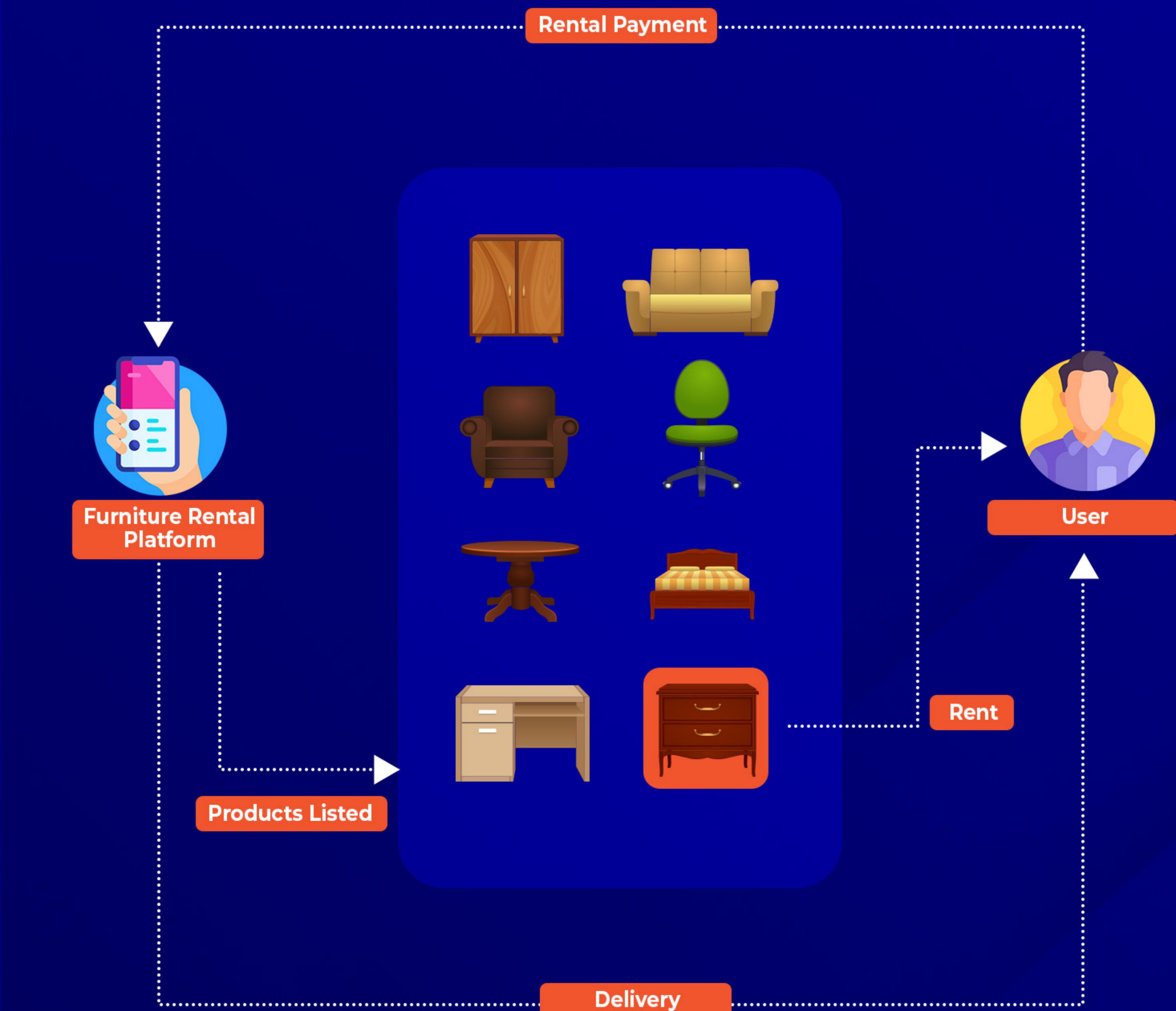
Furniture Rental



Overview

- Furniture rental is a service that allows individuals or businesses to lease furniture for a temporary period instead of purchasing it outright. This option provides flexibility for those who may need furniture for a short-term situation, such as temporary living arrangements, events, staging homes for sale, or short-term office setups. It offers the convenience of having access to quality furniture without the commitment of long-term ownership or the hassle of moving furniture.
- Startups that offer furniture rental services typically adopt one of three business models -- (1) They may opt to purchase and own the furniture they rent out, (2) Serve as a marketplace connecting customers with various furniture providers, or (3) Employ a full-stack model, crafting the furniture themselves and overseeing the entire process from production to delivery.

Process of Furniture Rental



- Some leading furniture rental platforms in India are Furlenco, RentoMojo, Rentickle, CityFurnish, Fabrento among others.

Current Outlook

- The global furniture rental service market was valued at about INR 6 lakh crores in 2022 and is projected to grow at a CAGR of ~8% by 2030.
- Indian consumers have turned to furniture and appliance rentals as a flexible solution to fulfill their aspirations. The uptrend is led by increased time spent at home during the pandemic and afterwards, prompting home upgrades and the creation of home offices. Additionally, the shift in mindset towards renting, particularly in Tier II and Tier III cities, has contributed to the industry's growth.

Recent News

- Sheela Foam, a leading player in the mattress industry with its flagship brand Sleepwell, has entered into an

agreement to acquire a substantial 35% stake in Furlenco, a prominent furniture rental company in India, for INR 300 crores. Furlenco has also expanded its presence by venturing into the offline retail segment with the opening of two stores in Bengaluru. This move marks Furlenco's strategy to complement its online presence with physical stores to provide customers with a more immersive experience and increase accessibility to its furniture offerings.

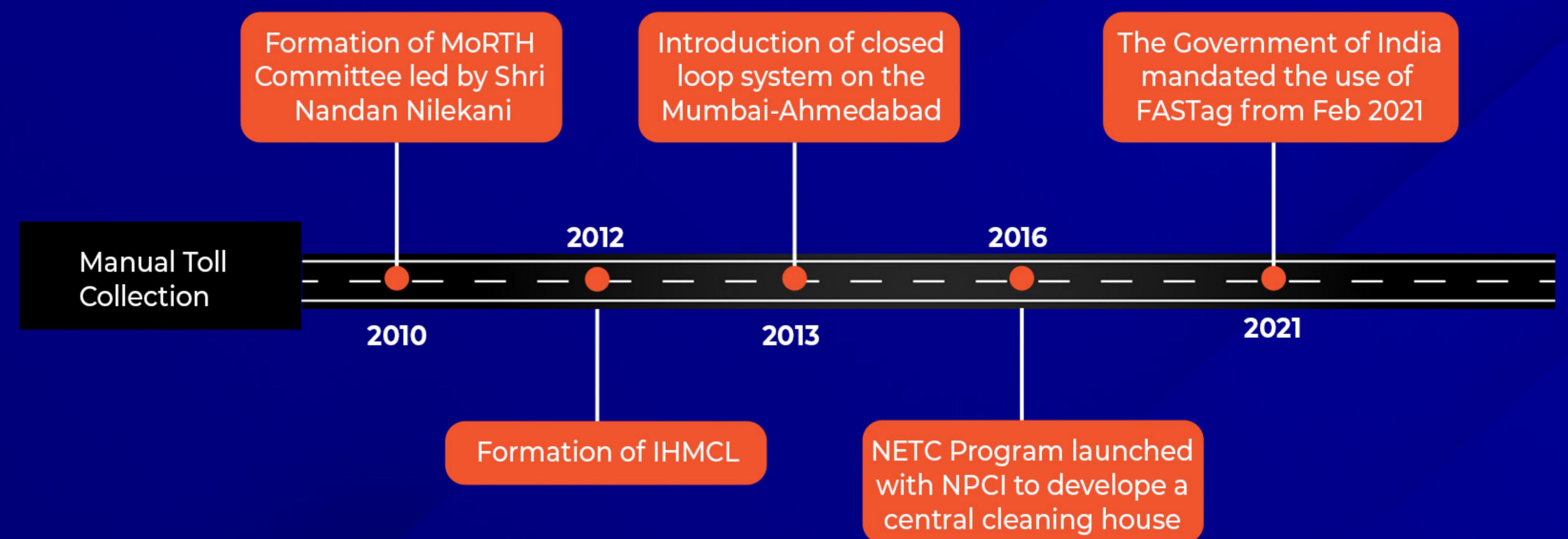
► enco, a prominent furniture rental company in India. Furniture rental startup Rentomojo has secured a funding of INR 210 crores in a Series D and D1 round led by Edelweiss Discovery. This investment underscores investor confidence in the rental industry and Rentomojo's growth potential. The company stated the funding will be utilized to expand the appliances and furniture rental categories and strengthen its market presence.



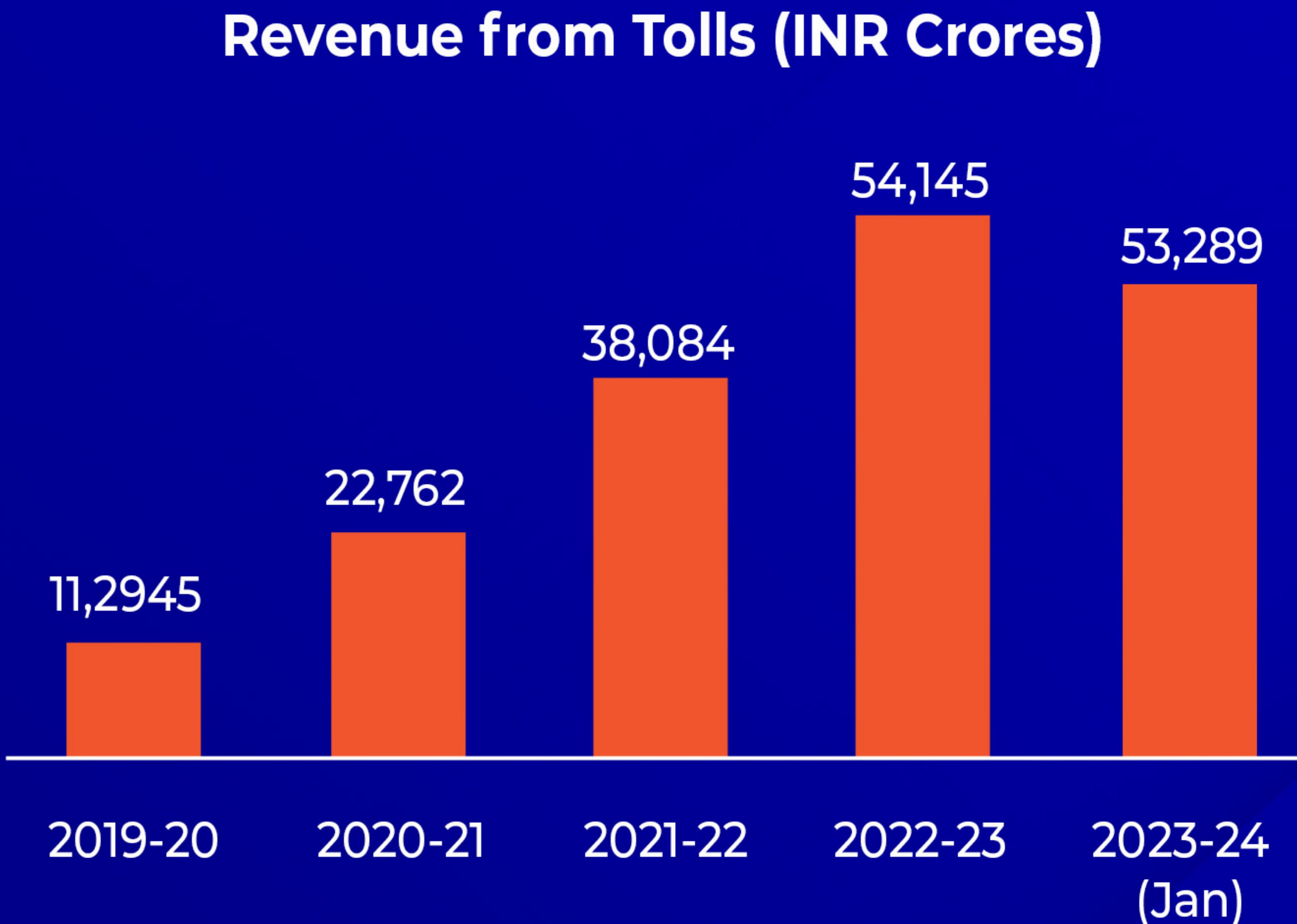
Toll Operator Management

Overview

- ▶ Toll management solutions serve as convenient third-party payment platforms, facilitating fleet managers in efficiently planning and paying toll fees. These systems are installed by local governments across the country at toll plazas to cover expenses related to roadway maintenance, repairs, construction, and other associated costs.
- ▶ The tolling industry's transition from manual booths to electronic systems began in 2010 with the formation of Ministry of Road Transport and Highways of India (MoRTH) committee led by Nandan Nilekani, Co-founder of Infosys, focusing on unified electronic toll collection for national highways. Recommendations included centralized debit/credit mechanism, inexpensive sticker tags, enabling tag holders' queries through the web, and RFID-based tags. In 2012, Indian Highways Management Company Limited (IHMCL) was established to implement electronic tolling and other allied activities alongside National Highways Authority of India (NHAI), leading to the introduction of a closed-loop ETC system between Mumbai and Ahmedabad in 2013. In 2016, IHMCL collaborated with NPCI to develop the interoperable FASTag Program, leveraging radio frequency identification (RFID) technology for toll collection, administered by the National Payments Corporation of India (NPCI).



► In recent years, India's road infrastructure has seen upgrades due to increased vehicle density, accompanied by a rise in digital transactions. The National Electronic Toll Collection (NETC) program, utilizing FASTags, has played a key role in this digital shift, steering many vehicles towards digital payments, and reducing reliance on cash for tolls. Despite national highways comprising only 2% of the road network, they handle 40% of the nation's traffic, underscoring the need for efficient toll management to alleviate congestion and environmental impacts.



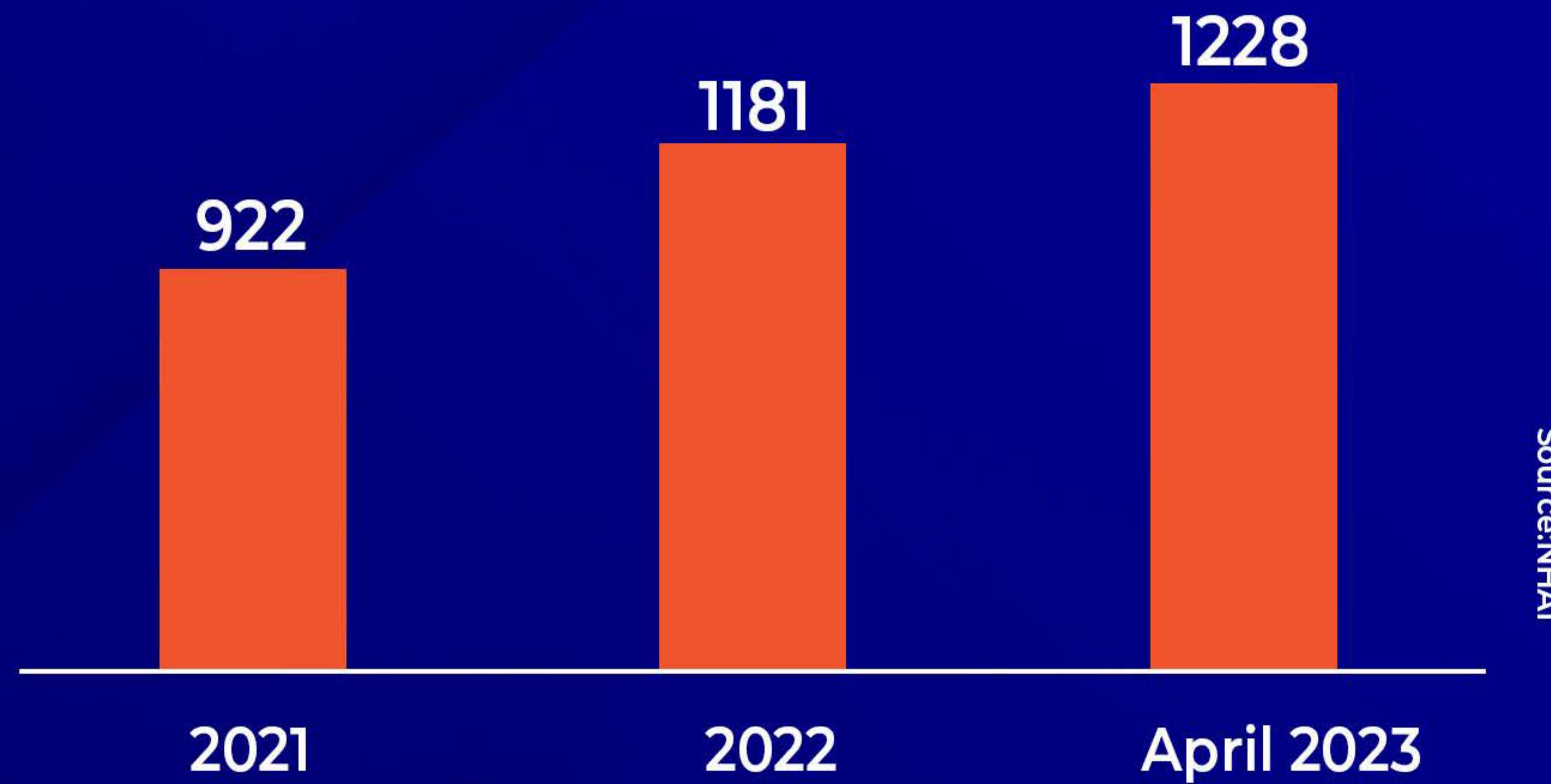
Current Outlook

► The revenue generated from toll collection has experienced a remarkable increase from INR 3,352 crores in FY18 to INR 54,144 crores in FY23. This significant increase underscores the widespread acceptance and implementation of tolling systems across national highways, playing a pivotal role in fostering economic growth and advancing infrastructure development in the country.

With an average toll collection of ~INR 5300 crores/month from April to January 2024, the gross toll collection in FY24 is expected to reach a record INR 62,000 crores, as per the Centre.

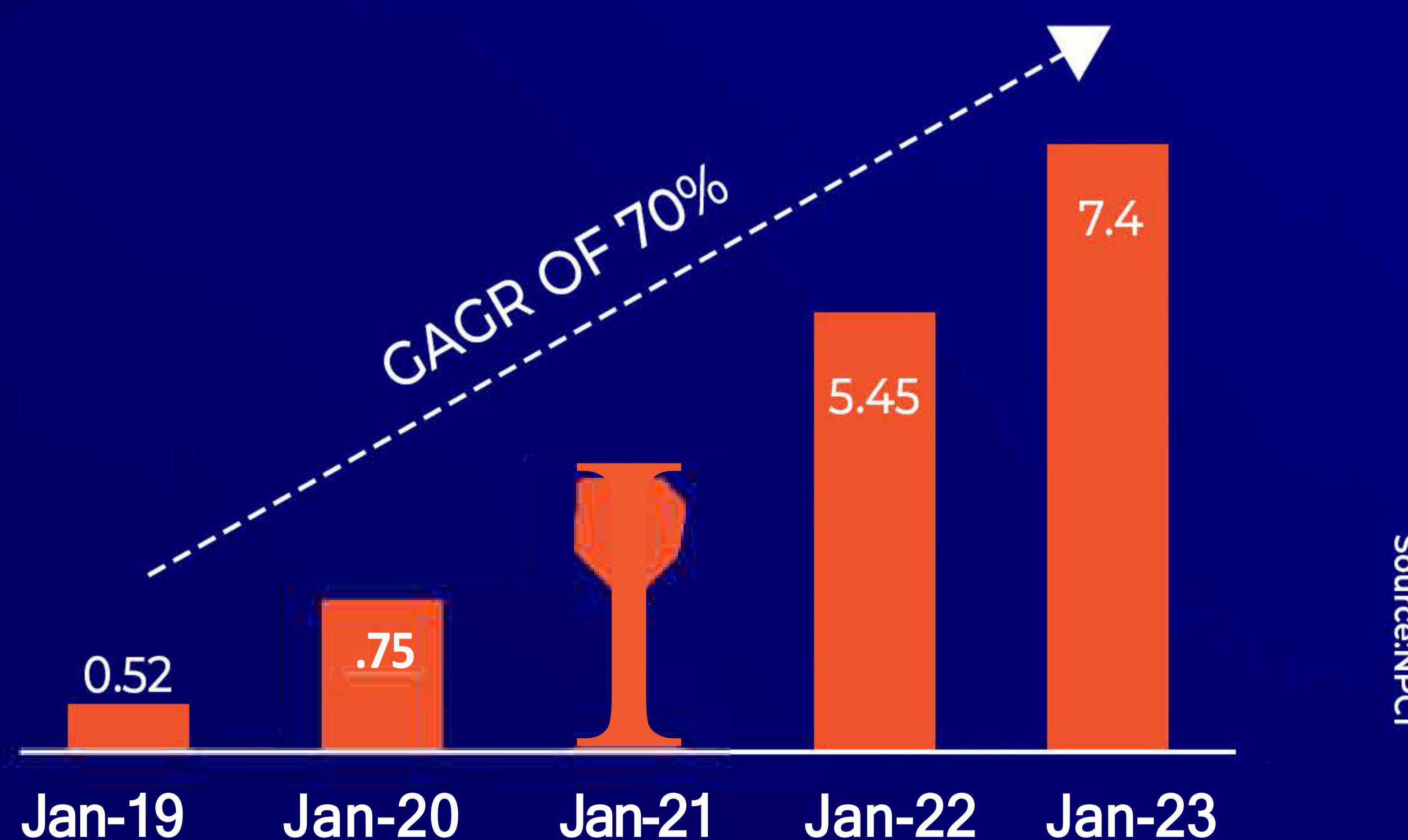
► Since its inception in February 2021, the count of toll plazas integrated with NETC FASTag has surged from 770 to 1,228 by end of April 2023, encompassing 339 state toll plazas within this network expansion.

Number of Toll Plazas in India



Source:NHAI

Tag Issuance (Crores)



Source:NPCI

Recent News

- In October 2023, the NHAI issued Standard Operating Procedures (SOPs) to safeguard commuters and reduce conflicts with toll operators, aiming to enhance the toll collection experience. These measures include installing distress call boxes, deploying marshals at toll plazas, and implementing technology-based solutions to address grievances efficiently.
- As per a report by the Times of India, the annual revision of highway toll fees in India may be postponed by the N HAI, providing relief to motorists. However, there has been no official confirmation from N HAI yet.

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