



IPO Report

Avoid

SME IPO

Amba Auto Sales & Services Limited

Consumer Discretionary

Price Band: ₹130 to ₹135 per share

Bidding: 27 Apr to 29 Apr, 2026

Listing At: NSE SME

Listing Date: May 5, 2026

Details of the Issue

Lead Manager	Capital Square Advisors Pvt. Ltd.
Market Maker	Rikhav Securities Ltd.
Registrar	Bigshare Services Pvt. Ltd.

Promoter Holding

Pre-Issue	96.67%
Post-Issue	71.22%

Offer Structure

Market Maker	2,42,000 shares
QIB	4,64,000 shares
Retail	18,32,000 shares
NII	22,86,000 shares
Fresh Issue	48,24,000 shares
Total Issue	₹65.12 Cr

Financial Summary (₹ in Lakhs)

Particular	9M-FY26	FY25
Revenue	20,374.02	24,236.65
EBITDA	2,234.39	1,747.93
PAT	1,210.89	777.60

Minimum Application

Category	Lots	Shares	Amount
Retail	2	2,000	₹2,70,000
S-HNI	3-7	3,000-7,000	₹4,05,000-₹9,45,000
B-HNI	8	8,000	₹10,80,000

Valuations

NAV(FY25)	11.22
EPS(Pre Issue)	5.76
P/E(Pre Issue)	23.44

Promoters

Mr. Pradeep Kumar Lohia, Mr. Rakesh Kumar Lohia and Mr. Vikash Kumar Lohia

Company Overview

Amba Auto Sales & Service Limited, incorporated in 2005, is an authorised dealer of Bajaj Auto Limited and LG Electronics India Limited, operating under Amba Bajaj and Amba LG Best Shop. The company is engaged in automobile sales and servicing including motorcycles, scooters, KTM bikes, and three-wheelers as well as retailing LG consumer electronics such as TVs, air conditioners, and appliances, with a network of 29 showrooms and service centres across Bengaluru.

Object of the Issue

- Funding capital expenditure for setting up new showrooms and renovating existing ones: ₹631.73 lakhs
- To meet the working capital requirements of the Company: ₹4,300.00 lakhs
- General Corporate Purposes

Price Band Analysis

At the upper price band of ₹135, Amba Auto Sales & Services Limited is valued at a post-issue P/E of 28.33x and P/B of 12.03x, indicating a rich valuation relative to its scale and track record, with much of the growth already priced in. The auto dealership and consumer durables retail sector offers long-term demand potential but remains cyclical and margin-sensitive, driven by economic conditions and consumption trends.

Peer Comparison (as of FY25)

Company Name	EPS (₹)	NAV (₹)	P/E	RONW (%)
Amba Auto Sales and Services Limited	5.76	11.22	23.44	69.09
Popular Vehicles and Services Limited	-1.47	89.72	NA	-1.61
Bikewo Green Tech Limited	0.59	29.55	30.68	2.38
Resourceful Automobile Limited	5.65	63.40	6.90	12.41

Risk Measures:

- As of March 31, 2025, the company's debt-equity ratio stood at 3.65, significantly above the industry average of 0.34. This elevated leverage level may limit its ability to raise additional capital and increases exposure to interest rate fluctuations, potentially impacting financial stability and future growth.
- The company's dealership arrangements expose it to termination risk, as OEMs retain the right to unilaterally end agreements with short notice. For example, Bajaj Auto Limited can terminate its dealership agreement with 30 days' written notice without providing any reason, which could materially impact business operations and revenue continuity.

Investment Rationale:

- The company has delivered robust financial growth, with Revenue from Operations rising from ₹11,295.45 lakhs in FY23 to ₹24,236.65 lakhs in FY25. Profitability has also improved significantly, with PAT increasing from ₹63.83 lakhs to ₹777.60 lakhs, while EBITDA margins expanded from 3.94% to 7.21%, reflecting better operating efficiency and scalability.
- The business is heavily reliant on its partnerships with Bajaj Auto Limited and LG Electronics India Limited, with Bajaj Auto contributing 94.84% of revenue in 9M-FY26 and 94.36% in FY25. Such concentration creates significant counterparty risk, as Bajaj Auto Limited can terminate the dealership with just 30 days' notice without reason, potentially disrupting revenue and operations.
- The company has seen a disproportionate rise in working capital, with inventories increasing 60.70% and trade receivables surging 163.00% in FY25, significantly outpacing revenue growth of 14.74%. This has led to a deterioration in the working capital cycle from 58 days to 87 days, with inventory holding rising to 82 days. The trend indicates inefficient capital utilization, higher carrying costs, and increased risk of inventory obsolescence and margin pressure.
- As of March 31, 2025, the company's debt-equity ratio stood at 3.65, significantly above the industry average of 0.34, indicating elevated financial risk and limited flexibility for future funding. Additionally, 100% of revenue is derived from operations in Karnataka, primarily in Bengaluru, exposing the business to concentrated regional risks such as economic slowdowns or local disruptions.

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Financials (₹ in Lakhs, Except for Percentage & Ratios)

Particular	9M-FY26	FY25	FY24
Revenue From Operations	20,374.02	24,236.65	21,122.82
EBITDA	2,234.39	1,747.93	840.78
EBITDA Margin (%)	10.97	7.21	3.98
PAT	1,210.89	777.60	288.67
PAT Margin (%)	5.94	3.21	1.37
EPS	8.97	5.76	2.14
Return on Equity (RoE%)	57.61	69.09	48.74
Return on Capital Employed (RoCE%)	26.82	24.31	18.14
Debt to Equity Ratio	2.13	3.65	5.05

Source: RHP

Product wise Revenue Bifurcation (₹ in Lakhs)

Particulars	9M-FY26	FY25	FY24
Bajaj Business	19,322.11	22,869.19	20,000.14
LG Business	759.92	1,092.26	914.98
Insurance	217.30	231.77	181.30
Others	74.69	43.43	26.40
Total	20,374.02	24,236.65	21,122.82

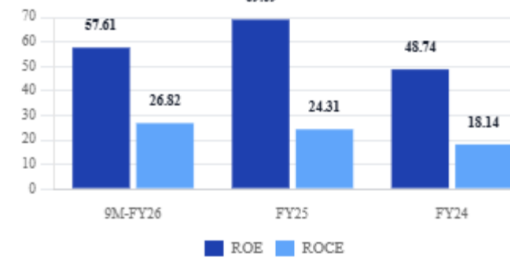
About The Founder



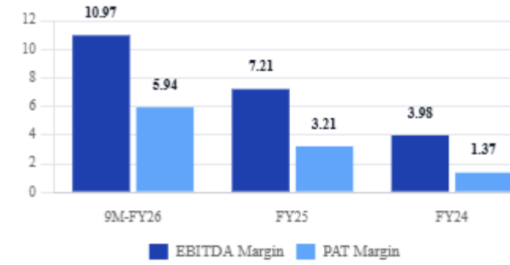
Mr. Pradeep Kumar Lohia, aged 76, is the Promoter, Chairman, and Executive Director of the company, and its Founder. Despite being non-matriculate, he brings over two decades of experience in the automobile industry. His expertise lies in client relationship management, strategic partnerships, retail operations, and ensuring dealership compliance with OEM requirements.

FINANCIAL HIGHLIGHTS

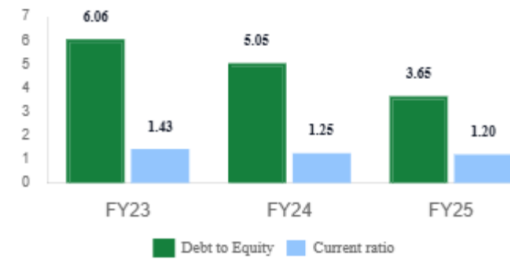
Return Ratios



EBITDA and PAT Margin



Key Ratios:



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