

## Business Overview

### Company Profile:

- Incorporated on February 23, 2006, Landmark Cars Limited is a leading premium automotive retail business in India with dealerships for Mercedes-Benz, Honda, Jeep, Volkswagen and Renault. It also caters to the commercial vehicle retail business of Ashok Leyland in India.
- The company was the number one dealer in India for Mercedes in terms of retail sales for Fiscal 2022, number one dealer in India for Honda and Jeep in terms of wholesale sales for Fiscal 2022 and was the top contributor to Volkswagen retail sales for calendar year 2021. In addition, it was the 3rd largest dealership in India for Renault in terms of wholesale sales contribution for calendar year 2021.
- The company has a presence across the automotive retail value chain, including sales of new vehicles, after-sales service and repairs, sales of pre-owned passenger vehicles and facilitation of the sales of third party financial and insurance products.
- As of June 30, 2022, the company has a network of 112 outlets in 8 Indian states and union territories, comprised of 59 sales showrooms and outlets and 53 after-sales service outlets.
- Further, its vehicle dealership network is spread across 32 cities in 8 states and union territories including Maharashtra, Uttar Pradesh, Gujarat, Haryana, Madhya Pradesh, Punjab, West Bengal and the National Capital Territory of Delhi.
- The company buys and sells pre-owned passenger vehicles at each of their dealerships. It operates on 2 business models –
  - Facilitating the sale of used vehicles through the appointed panel of agents on a commission basis;
  - Taking the vehicles on books for sale after any needed refurbishment.

### Issue Details

*Fresh Issue of [●] Equity Shares aggregating up to ₹ 1,500 million and Offer for Sale for up to [●] Equity Shares aggregating up to ₹ 4,020 million*

**Issue size:** ₹ 552 Cr

**No. of shares:** 1,09,11,162 - 1,14,78,396

**Face value:** ₹ 5/-

**Employee Reservation:** Equity shares aggregating up to ₹ 10 million

**Price band:** ₹ 481 - 506

**Employee Discount:** ₹ 48 Per Equity Share

**Bid Lot:** 29 shares and in multiples thereon

**Post Issue Implied Market Cap:**

₹ 1,912 - 2,003 Cr

**BRLMs:** Axis Capital Limited & ICICI Securities Limited

**Registrar:** Link Intime India Private Limited

### Indicative Timetable

Activity	On or about
Anchor Investor Issue Opens	12-12-2022
Issue Opens	13-12-2022
Issue Closes	15-12-2022
Finalization of Basis of Allotment	20-12-2022
Refunds/ Unblocking ASBA Fund	21-12-2022
Credit of equity shares to DP A/c	22-12-2022
Trading commences	23-12-2022

**Listing:** BSE & NSE

### Issue Break Up

Retail	QIB	NII
35%	50%	15%

### Shareholding \*

	Pre Issue	Post Issue
Promoters & Promoter Group	60.24%	55.73%
Public - Selling Shareholders	38.53%	15.57%
Public - Other	1.23%	28.70%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

\*Calculated using data in RHP on pages - 1, 124

## Competitive Strengths

**Leading automotive dealership for major OEMs with a strong focus on high growth segments:** The company's business focus has been on the fast-growing premium and luxury segments of the Indian passenger vehicle market. In addition, the company is a leading premium automotive retail business in India with dealerships for Mercedes-Benz, Honda, Jeep, Volkswagen and Renault. It was the number one dealer in India for Mercedes in terms of retail sales for Fiscal 2022, number one dealer in India for Honda and Jeep in terms of wholesale sales for Fiscal 2022 and was the top contributor to Volkswagen retail sales for calendar year 2021. It was also the third largest dealership in India for Renault in terms of wholesale sales contribution for calendar year 2021.

**Growing presence in after-sales segment leading predictable growth in revenues and superior margins:** The company operates as an authorized service center for Mercedes-Benz, Honda, Volkswagen, Jeep, Renault and Ashok Leyland, and provides after-sales service and repairs through its 53 after-sales service and outlets across eight Indian states and union territories. It also sells spare parts, lubricants, accessories and other products from these outlets.

**Comprehensive business model capturing entire customer value-chain:** The company's business caters to the entire customer value-chain including retailing new vehicles, servicing and repairing vehicles, selling spare parts, lubricants and other products, selling pre-owned passenger vehicles and the distribution of third party financial and insurance products. It has an opportunity to grow the number of extended warranties sold during the next few years through the efforts of service marketing team.

**Robust business processes leveraging technological innovation and digitalization:** The company has established robust business processes which assists in reducing costs and increasing efficiency as well as ensuring faster operationalization of new facilities. It has established processes for operationalizing new outlets including purchasing inventory, selecting and leasing premises and hiring sales and technical personnel.

**Profitable and improving balance sheet:** Fiscal 2020 reflected dull consumer sentiment coupled with inventory corrections for required BS VI emissions upgradation. However, despite a decline in revenues from operations in Fiscal 2020 and Fiscal 2021, in line with industry trends, the company's operations continued to be profitable during this period. Further, in this same difficult period, it made efforts to improve the balance sheet as reflected in: (i) Net Debt / EBITDA Ratio which was 1.49 times in Fiscal 2022, 2.54 times in Fiscal 2021 and 3.90 times in Fiscal 2020; and (ii) Return on Capital Employed which was 3.67%, 18.86%, 8.59% and 1.07% for the three months ended June 30, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

**Experienced Promoter and professional management team with technical expertise:** The experience and diversity of the company's directors, management team and the Promoter have enabled the company to be recognized as a customer centric, process driven organization with leading positions each of its OEM partners. The majority of the management team has spent more than 10 years with the company and bring capabilities to enable them to understand and anticipate automotive market trends, manage the business operations and growth, leverage the OEM relationships and respond to changes in consumer preferences in a rapidly changing environment.

For further details, refer to 'Our Strengths' page 189 of RHP

## Business Strategies

**Continue expansion focusing on high growth segments and brands:** The company intends to focus on expanding the business in high growth segments like premium and luxury passenger vehicles including UVs as well as electric vehicles. It aims to leverage the relationships with the OEMs to expand geographically to achieve economies of scale.

**Expand the after-sales service business:** The company's strategy is to expand the after-sales service offering in order to cater to additional customers and further enhance the higher-margin service and repair revenues. In that regard, it will continue to explore with its OEM dealership partners the possibility of adding service workshops and additional authorized service centres in the markets in which it operates. Further, the company has entered into a spare parts dealership agreement with Mercedes-Benz, and it will be engaged in the business of sale of genuine parts in aftermarket in India. It intends to cater to retailers, independent workshops, authorized service centres and vehicle dealers.

**Build the pre-owned passenger vehicle business leveraging the experience, technology and network:** The company looks to capture the expected growth in the pre-owned passenger vehicle segment. The use of technology in the pre-owned vehicle acquisition and sales processes will improve the company's efficiencies and allow to replicate the success across brands and geographies.

**Continue to invest in technology and digitalizing sales and service channels:** The company intends to continue to invest in the IT systems to enhance process efficiencies and to support sales, inventory control, after-sales service, financial control and customer interaction. It aims to be a leading omnichannel premium automotive retail business through the use of technology, which will help to scale more quickly and efficiently. Further, the company intends to continue to invest in companies focused on innovative technology or platforms in the automotive retail and after-sales service segments.

**Continue strategic acquisitions to expand geographic reach in premium and luxury brands:** The company is focused on identifying dealership acquisition targets that will not only benefit from management expertise, strong OEM relations and the scale of operations, but also provide with a competitive advantage in terms of operating independently in an area which leads to improved margin retention in sales as well as improved customer retention. It will continue to seek to acquire dealerships to expand the geographic reach in premium and luxury automotive brands which may or may not be part of its existing portfolio.

For further details, refer to 'Our Strategies' page 192 onwards of RHP

## Profile of Directors

**Sanjay Karsandas Thakker** is the Chairman and Executive Director of the Company. He has a bachelor's degree in commerce from Sydenham College of Commerce and Economics, University of Bombay. He founded the Group Landmark in 1998. He has more than two decades of experience in the automobile industry.

**Aryaman Sanjay Thakker** is an Executive Director of the Company. He has a bachelor's degree in business administration from the Bharati Vidyapeeth Deemed University, Pune and has a master's degree of science in marketing and strategy from the University of Warwick. He joined Group Landmark in 2017 as a General Manager of LAPL. Prior to joining the Landmark Group, Aryaman was associated with AutoNation Corp in Fort Lauderdale, Florida, United States.

**Paras Somani** is an Executive Whole-Time Director of the Company. He has a bachelor's degree in commerce from the Saurashtra University and has also participated in the ISBCEO Leadership Programme by the Indian School of Business, Hyderabad from July 2017 to August 2018. He joined Group Landmark in 2006 as the Vice President - Sales in LAPL and currently leads the Mercedes-Benz and Volkswagen business in Group Landmark. He has over two decades of experience in sales and banking. He was previously associated with Kotak Mahindra Primus Limited.

**Akshay Tanna** is the Nominee Director of TPG Growth. He has a bachelor's degree of science in economics from University of Pennsylvania. He has over a decade of experience in private equity and investment banking and is one of the winners of Economic Times '40 Under Forty'- 2020 edition. He has been employed with TPG Capital India Private Limited since 2011 and is currently a partner at TPG Growth & Rise Fund.

**Manish Balkishan Chokhani**, is an Independent Director of the Company. He holds a masters' degree in business administration from London Business School, University of London. He is an associate of the Institute of Chartered Accountants of India and has been admitted as a fellow of the All-India Management Association. Prior to joining the Company, he was the director of Enam Securities Private Limited from 2006 to 2019. He has in the past served as the managing director and chief executive officer of Axis Capital Limited. He served as chairman of TPG Growth India during the period of 2015-2016 and as a senior advisor to TPG Growth during 2013 to 2019. He also serves on the governing board of Flame University. He is a member of the Young Presidents' Organization, Inc. He has also served as a member of the SEBI's Alternative Investment Policy Advisory Committee.

**Gautam Yogendra Trivedi** is an Independent Director of the Company. He holds a bachelors' degree in Commerce from Sydenham College of Commerce and Economics, University of Bombay and a bachelor's degree in law from Government Law College, University of Bombay and a master's degree in business administration from University of Southern California, Los Angeles. He has served as a vice president - at Reliance Industries Limited. He has also served as the managing director and head of equities, India at Religare Capital Markets Limited and as an executive director in the Asia Pacific Shares department of the equities division at Goldman Sachs (Asia) LLC. He has worked at DSP Financial Consultants Limited, Credit Lyonnais Securities India Private Limited and Jardine Fleming Holdings Limited.

**Sucheta Nilesh Shah** is an Independent Director of the Company. She is the Executive director of Atlas Integrated Finance Limited. She was the Chairperson of FICCI Maharashtra, MSME Committee, during FY 18-19 and FY 19-20. She was the Chairperson of the FLO Mumbai Chapter for the year 2011-12 and was the National Head for SWAYAM, a support cell for women entrepreneurs, an initiative by FICCI FLO from the year 2015 to 2018. She has been the director of Grameen Initiative for Women. She was also a director of TATA Housing Development Company Limited

**Mahesh Pansukhlal Sarda** is an Independent Director of the Company. He has a bachelor's degree in law from K.P. Shah Law College, Saurashtra University. He is a qualified chartered accountant and has certificates of practice, from the ICAI and as a chartered accountant of Bombay A.C.A and Jamnagar F.C.A. He was a partner with M/s. Deloitte Haskins & Sells for a decade. He was also a member of the 17th regional council of the ICAI from 2001-2004, 20th and 21st council of the ICAI from western India regional constituency for the terms of 2007-10 and 2010-13 respectively where he served as chairman of the committee on trade laws and WTO, direct taxes committee, committee on international taxation, financial reporting review board and committee for members in entrepreneurship and public services. He has also been the member of the advisory group for international taxation and transfer pricing in department of revenue, ministry of finance.

Given above is the abstract of data on directors seen on page 239 of the RHP

## Object of the Offer

**Offer for Sale:** Since the Offer is an offer for sale, the Company will not receive any proceeds from the Offer.

**Fresh Issue:** The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

Particulars	Amount (Rs. In Million)
Pre-payment, in full or in part, of borrowings availed by the Subsidiaries	1,200.00
General corporate purposes <sup>(1)</sup>	[•]
<b>Total Net Proceeds</b>	<b>[•]</b>

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue.

## Comparison with peers

There are no listed companies in India that engage in a business similar to that of the company. Accordingly, it is not possible to provide an industry comparison in relation to the company.

## Financials (Restated Consolidated):

(Rs. in Million unless stated otherwise)

Particulars	As at June 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity Share Capital	183.13	183.13	183.13	183.13
Other Equity	2,499.54	2,286.29	1,634.62	1,508.12
Net Worth	2,682.67	2,469.42	1,817.75	1,691.25
Total Borrowings	4,643.65	3,084.91	3,274.41	3,579.08
Revenue from Operations	8,002.70	29,765.23	19,561.04	22,186.14
EBITDA	528.34	1,872.81	1,200.63	831.95
EBITDA Margin	6.59%	6.27%	6.11%	3.73%
Profit/(Loss) Before Tax	196.71	822.74	197.81	(246.42)
Profit/(Loss) After Tax	181.42	661.82	111.48	(289.39)
PAT Margin	2.27%	2.22%	0.57%	(1.30)%
Basic EPS	4.86	17.88	3.09	(7.84)

Above data obtained from pages 22, 67, 69 & 192 of RHP

Notes:

(a) Basic earnings per share = Net profit attributable to equity shareholders/ Weighted average number of shares outstanding during the year/period after sub-division of equity shares.

(b) Net worth means the aggregate value of the paid-up share capital and other equity.

(c) Borrowings means the aggregate of short-term borrowings, long-term borrowings and vehicle floor plan payable.

(d) EBITDA' is calculated as the sum of (i) restated profit/(loss) for the period/year, (ii) total tax expense, (iii) finance costs, and (iv) depreciation and amortisation expense.

(e) 'EBITDA Margin' is calculated as EBITDA divided by total income and is an indicator of the operational profitability of the business before interest, depreciation, amortisation, and taxes.

## Key Risk Factors

- The company had reported a loss in Fiscal 2020 and may incur additional losses in the future.
- The company is subject to the significant influence of, and restrictions imposed by OEMs pursuant to the terms of its dealership or agency agreements that may adversely impact business, results of operations, financial condition and prospects, including its ability to expand into new territories and acquire additional dealerships.
- The agreements governing the company's indebtedness contain certain restrictive covenants and inability to comply with these covenants could adversely affect the business, results of operations financial condition.
- The company's success depends on the value, perception, marketing and overall competitiveness of the OEMs' vehicle brands in India and any damage to these brands or their failure to compete effectively in India could materially adversely affect its business, results of operations and financial condition.
- A large portion of the company's business operations are concentrated in the states of Gujarat and Maharashtra, and any adverse developments in these states could have an adverse effect on the business, results of operations and financial condition.
- The company may not be able to complete, or achieve the expected benefits from, current or future dealership acquisitions which could materially adversely affect the business, results of operations and financial condition.
- The company's operations are subject to various governmental laws and regulations and certain state specific notifications and guidelines. If the company is found to be in purported violation of or subject to liabilities under any of these laws or regulations, or if new laws or regulations are enacted that adversely affect the operations, business, operating results, and prospects could suffer.
- The decision by any of the company's OEMs not to renew, to terminate or to require adverse material modifications to any of the dealership or agency agreements entered into with them could have a material and adverse effect on the business, results of operations and financial condition.
- Mercedes-Benz has required that the company restructures dealership arrangement with them to an agency model. There can be no assurances that the business, results of operations and financial condition will not be adversely affected by this change.
- The company's investments in building pre-owned vehicle business and establishing a new electric passenger dealership with BYD and building an electric vehicle business may not be successful due to insufficient demand in India for electric vehicles and may be loss-making.
- The company's return on equity ratio and return on capital employed have fluctuated in the three months ended June 30, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020 primarily due to fluctuation in profit/loss for the respective years and periods.
- Margins earned from the company's services and repair vertical may be impacted by pricing guidelines set by the OEMs.
- The company's business operations are dependent upon the success and continued financial stability of the OEMs with which it has dealership agreements.
- AMPL has currently closed one of its service centres pursuant to a direction received from the Commission of Air Quality Management in National Capital Region and Adjoining Areas. It cannot be assured that AMPL will be able to re-open such service centre in a timely manner or at all and/or that no further action will be taken against AMPL.



- The company has incurred significant capital expenditure during the last three Fiscal Years. It may require substantial financing for the business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable may adversely affect its ability to grow and future profitability.
- The company and its subsidiaries have unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans may adversely affect the cash flows.
- The company's passenger vehicles and commercial vehicles sales are subject to seasonality, which may contribute to fluctuations in the results of operations.
- There are outstanding legal proceedings involving the company, its subsidiaries, Promoter and Directors, and adverse outcomes in such proceedings may negatively affect the business, results of operations and financial condition.
- The Promoter, certain of the members of the Promoter Group, the Directors and Key Management Personnel have interests in the company's business other than reimbursement of expenses incurred or normal remuneration or benefits.
- The Promoter has provided personal guarantees for certain borrowings obtained by the company, and any failure or default to repay such loans could trigger repayment obligations on the Promoter, which may impact his ability to effectively service the obligations as the Promoter and thereby, adversely impact the company's business and operations.
- The company has entered into lease transactions with certain members of the Promoter Group and makes payment of rent to them. It also pays certain interest on loans to the Promoter, members of the Promoter Group, Directors and relatives of the Promoter. Such transactions may be detrimental to the company and the shareholders.
- The company may be subject to significant liability should there be any deficiencies in any of the vehicles sold or services provided resulting in injury or death.
- Subject to Shareholders' approval by way of a special resolution, the Promoter shall have the right to elect the Chairman of the company and the Investor Selling Shareholder shall have the right to nominate one Director to the Board.
- The company has entered into, and will continue to enter into, related party transactions, which may potentially involve conflicts of interest with the Shareholders.
- The company has certain contingent liabilities and commitments, which, if materialised, may affect its financial condition.

Please read carefully the Risk Factors given in detail in section II (page 28 onwards) of RHP

## Disclaimer

The information contained herein are strictly confidential and are meant solely for the information of the recipient and shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written permission of JM Financial Services Ltd. ("JMFS"). The contents of this document are for information purpose only. This document is not an investment advice and must not alone be taken as the basis for an investment decision. Before taking any decision to invest, the recipient of this document must read carefully the Red Herring Prospectus ("RHP") issued Landmark Cars Limited. dated December 05, 2022 to know the details of IPO and various risks and uncertainties associated with the investment in the IPO of the Company. All recipients of this document must before acting on the given information/details, make their own investigation and apply independent judgment based on their specific investment objectives and financial position. We can also seek appropriate professional advice from their own legal and tax consultants, advisors, etc. to understand the risks and investment considerations arising from such investment. The investor should possess appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances before making any decisions on the investment. The Investor shall be solely responsible for any action taken based on this document. JMFS shall not be liable for any direct or indirect losses arising from the use of the information contained in this document and accept no responsibility for statements made otherwise issued or any other source of information received by the investor and the investor would be doing so at his/her/its own risk. The information contained in this document should not be construed as forecast or promise or guarantee or assurance of any kind. The investors are not being offered any assurance or guaranteed or fixed returns on their investments. The users of this document must bear in mind that past performances if any, are not indicative of future results. The actual returns on investment may be materially different than the past. Investments in Securities market products and instruments including in the IPO of the Company are highly risky and we are generally not an appropriate avenue for someone with limited resources/ limited investment and low risk tolerance. Such Investments are subject to market risks including, without limitation, price, volatility and liquidity and capital risks. Therefore, the users of this document must carefully consider all the information given in the RHP including the risks factors given in section II, page 28 onwards before making any investment in the Equity Shares of the Company.

In rendering this information, JMFS assumed and relied upon, without independent verification, the accuracy and completeness of the details/data provided by the Company by way of RHP. JMFS does not warrant the accuracy, reasonableness and/or completeness of any information mentioned in this document. Also, JMFS takes no responsibility of updating any data/information in this document from time to time. JMFS, its affiliates/associates and any of its directors, officers, employees and any other persons associated with it shall not be liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this document in any manner whatsoever.

This document is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JMFS and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this report may come, are required to take note of such restrictions and comply with the same.

Registration details:

JM Financial Services Ltd.

Stock Broker – Registration No. - INZ000195834

Corporate Identity Number: U67120MH1998PLC115415

Registered office Address: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra Pin- 400025.

Tel: (91 22) 6630 3030 |Fax: (91 22) 6630 3223

Corporate office Address: 5th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai, Maharashtra Pin- 400025.

Tel: (91 22) 6704 3000/3024 3000 |Fax: (91 22) 6704 3139.