

NOTE ON THE PROCESS OF DUE DILIGENCE OF AMBA AUTO SALES AND SERVICES LIMITED

We have been appointed as the Book Running Lead Manager for the proposed Initial Public Issue of 'Amba Auto Sales and Services Limited' (the "Company"). As mandated under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, we herewith submit a brief note on the diligence process adopted by us:

For **Amba Auto Sales and Services Limited** ("Company")

In connection with the Proposed Initial Public Offering on the NSE SME Platform ("NSE Emerge")

As per SEBI (ICDR) Regulations, 2018 – Chapter IX and Schedule V

Report Date: May 30, 2025

Date of Visit: May 20 and May 21, 2025

Visit Conducted by: CapitalSquare Advisors Private Limited (Book Running Lead Manager)

1. Introduction and Purpose of the Visit

The purpose of the site visit was to conduct an on-ground assessment of Amba Auto Sales and Services Limited's operational network, infrastructure, and compliance framework in the context of the proposed SME Initial Public Offering (IPO) on the NSE SME Platform.

This site visit was conducted by representatives of CapitalSquare Advisors Private Limited, acting as the Book Running Lead Manager (BRLM) to the proposed SME Initial Public Offering (IPO) of Amba Auto Sales and Services Limited, covering the following points:

- Physical verification of showrooms, service facilities, and godowns.
- Inspection of sales, service, and administrative infrastructure.
- Review statutory and compliance documents.
- Validate disclosures to be made in the Draft Red Herring Prospectus (DRHP).
- Detailed discussion on sales, after-sales service, and operational processes.

2. Locations Visited

Registered Office & Key Showroom:

Sy.No. 442/2A, 443/2B, 7, Hongasandra, Bangalore, Bangalore, Karnataka, India, 560068

Select Showrooms & Godowns Visited:

- Two-wheeler and three-wheeler showroom (Bajaj/KTM/Chetak):
- Electronics showroom (LG products)
- Godowns

3. Interaction with Management

During our visit, we met key members of the management team, including:

- Mr. Rakeshkumar Lohia, Promoter and Director
- Mr. Vikashkumar Lohia, Promoter and Director



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4. Business Overview

Incorporated in 2005, **Amba Auto Sales and Services Limited** is engaged in the retail and after-sales service of a wide range of automobiles and consumer electronics. The company is an authorised dealer for **Bajaj Auto Limited**, offering two-wheelers, three-wheelers, KTM motorcycles, Chetak products, and related accessories.

In addition to automotive products, the company is also engaged in the sale of **consumer durables from LG Electronics**, including televisions, refrigerators, washing machines, and air conditioners.

The company provides comprehensive **after-sales service** for its automobile segment, including routine servicing, repairs, insurance and genuine spare parts. Its customer base includes individual buyers, fleet operators, and institutional clients.

5. Operations and Infrastructure

Amba Auto Sales and Services Limited operates through a network of **29 showrooms and godowns** strategically. These facilities include:

- Dedicated automobile showrooms for Bajaj, KTM, and Chetak brands.
- Exclusive LG Electronics showrooms.
- Authorised service stations for two-wheelers and three-wheelers with trained technicians.
- Well-stocked godowns for automobiles, spare parts, and electronic appliances.

Supporting infrastructure includes:

- Computerised billing and inventory management systems.
- Display and demo zones for vehicles and electronics.
- Trained sales staff and service technicians.
- Backup power facilities and proper storage arrangements.

6. Discussion with Management

Detailed discussions were held with the senior management team on:

- The company's history and operations since incorporation in 2005.
- Dealership arrangements with Bajaj Auto Limited and LG Electronics.
- The importance of after-sales service in customer retention.
- Inventory management practices for high-value goods.
- Market expansion strategy through enhanced product range and showroom footprint.
- Risks related to economic conditions, consumer demand cycles, and supplier policies.
- Legal and statutory compliance status.
- The working capital needs driving the proposed IPO.

7. Object of the Issue

The primary objective of the proposed IPO is:

Funding capital expenditure for setting up seven new showrooms and renovating two existing showrooms



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2. To meet the working capital requirements

With an expanding network of showrooms and an increasing product portfolio, the company requires additional funding to:

- Expand market presence in previously untapped or underserved areas
- Maintain high standards of fit-outs and installations
- Increase overall revenue and market share by reaching a wider customer base.
- Maintain optimal inventory levels for automobiles and electronics.
- Support operational expenses for multiple locations.
- Strengthen after-sales service capacity.
- Enhance marketing and promotional activities.

8. Photographic Documentation



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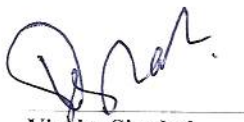
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9. Overall Assessment

The site visit confirms that the Company has an active and well-maintained operational network, with robust systems in place for sales, service, and inventory management. The disclosures made in the DRHP accurately reflect on-ground operations. The management has long-standing industry experience, and the company's infrastructure, brand associations, and growth plans provide a strong foundation for its future expansion.

For and on behalf of
CapitalSquare Advisors Private Limited


Viveka Singhal
Sr. Vice President



Place: Mumbai
Date: September 28, 2025

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