



Popular Vehicles & Services IPO

Issue Date: 12 Mar 24 - 14 March 24
Price Range: Rs 280 to Rs 295
Market Lot: 50
Face Value: 2

Sector: Auto
Location: Ernakulam
Issue Size: 601 Cr

Incorporated in 1983, Popular Vehicles and Services Limited is engaged in the business of automobile dealerships in India.

Popular Vehicles provides complete services throughout the life cycle of vehicle ownership, including sales of new and preowned vehicles, servicing, spare parts distribution, driving schools, and third-party financial and insurance product sales.

The company's business can be divided into three segments

1. passenger vehicles including luxury vehicles,
2. commercial vehicles and
3. electric two-wheeler and three-wheeler vehicles

The company currently operates through a vast network consisting of 59 showrooms, 126 sales outlets, and booking offices, 31 pre-owned vehicle showrooms and outlets, 134 authorized service centers, 40 retail outlets, and 24 warehouses across 14 districts of Kerala, 8 districts in Karnataka, 12 districts in Tamil Nadu, and 7 districts in Maharashtra. In addition to its showrooms, the sales outlets and booking offices also facilitate its sales, whereas the retail outlets are responsible for selling and distributing spare parts and accessories.

In FY 2023, the company serviced 791,360 vehicles - 5,212 luxury, 163,013 commercial, 1,918 electric two-wheeler, and 857 electric three-wheeler vehicles - through 130 authorized service centers across dealerships.

The company's PAT increased from ₹324.55 million in Fiscal 2021 to ₹640.74 million in Fiscal 2023.

The company's total income for Fiscals 2021, 2022, and 2023 was ₹29,192.52 million, ₹34,841.99 million, and ₹48,926.28 million, respectively.

As of July 31, 2023, the company had a total of 10,275 employees.

Objectives of the Issue

The company proposes to utilise the Net Proceeds towards funding the following objects:

1. Repayment and/or pre-payment, in full or part, of certain borrowings, availed by the company and certain of the subsidiaries, namely, VMPL, PAWL, PMMIL, KGPL, KCPL and PMPL and;
2. General corporate purposes.

Financial Information (Restated) Amount in ₹ Crore

Popular Vehicles & Services Limited's revenue increased by 40.42% and profit after tax (PAT) rose by 90.31% between the financial year ending with March 31, 2023 and March 31, 2022.

Period Ended	30-Sep-23	31-Mar-23	31-Mar-22	31-Mar-21
Assets	1941.78	1503.78	1263.29	1118.94
Revenue	2848.21	4892.63	3484.2	2919.25
Profit After Tax	40.04	64.07	33.67	32.46
Net Worth	384.21	343.04	279.89	246
Reserves and Surplus	371.67	330.5	267.34	233.46
Total Borrowing	764.61	505.01	371.91	353.04

Our Rating: 18 (Good)

Rating Procedure

	Criteria for giving points	Points	Out Off
Business Risk	Lesser risk higher points	3	5
Financial Risk	Lesser risk higher points	3	5
Market Risk	Lesser risk higher points	3	5
Objective of IPO	Growth & expansion gets more points	3	5
Price	Fair price will get more points	6	10
Total		18	30

A	21 & Above 21	Best to apply	D	11 to 14	Poor
B	18 to 20	Good	E	10 & Below 10	Very Poor
C	15 to 17	Average			

Note. The issue is fully priced. So investors with medium and long term view can subscribe Popular Vehicles and Services Limited IPO.

You can apply through Capstocks website EIPO link: <https://kyc.capstocks.com/ipo>

You can also apply by ASBA internet banking of your bank account.

Contact: Anil Kumar 0471-4093333, 9847060019, email: helpdesk@capstocks.com

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