

May 12, 2010

**CARE ASSIGNS 'IPO GRADE 3' PROPOSED IPO ISSUE OF
AMR CONSTRUCTIONS LIMITED**

Facilities/Instruments	Issue Details	Grading¹	Remarks
IPO Grading	5.8 million equity shares	CARE IPO Grade 3	Assigned

Grading Rationale

The grading derives its strength from the long track record of the company, experienced management, healthy order book position, equity infusion from Grants Investment Ltd, and growth prospects for infrastructure industry. The grading is constrained by strained liquidity position, competition from large players, sudden surge in scale of operation, risk associated with timely completion of projects and cyclical nature of construction industry.

Company Profile

AMR Constructions Limited was incorporated as a partnership firm in 1992 and had been undertaking small civil works in mining and industrial infrastructure activities. The firm was converted into Public limited company as 'AMR Constructions Limited' in FY 2001. AMR is currently undertaking construction activities in Mining, Irrigation and Industrial Infrastructure segments. AMR is promoted by Shri.A.Adinakaran Reddy (Wt.Director) with his two sons namely Shri.A.Mahesh Reddy (MD), Shri.A.Girish Reddy (Jt.M.D) and other family members. In FY'07 and FY'08 AMR issued unsecured interest free Fully Convertible Debentures to Grant Investment Limited, who infused Rs.152.26 cr into the company. The order book increased to Rs.5638 cr as on January 31, 2010 from Rs.1018 cr as on March 31, 2008.

AMR has reported a total income of Rs.739 cr in FY09. Operating margins have improved in FY09 to 17.81% on account of increase in high margin projects in industrial infrastructure segment. PAT margin also improved from 6.52% in FY08 to 6.89% in FY09. The debt equity ratio was at comfortable level at 0.57x as on March 31, 2009 while overall gearing ratio has increased from 1.37x as on March 31, 2008 to 1.55x as on March 31, 2009 due to increase in equipment loans and high working capital utilisation.

Earnings per share (EPS) per share declined in FY09 despite of increase in Profit after tax (PAT) due to capital infusion during the period. Return on net worth (RONW) also declined in FY09 on account of infusion of funds in the form of FCD from GIL.

Analyst Contact

Name: Sajan Goyal

Tel # 040-40102030

Mobile # 9849174030

Email: sajan.goyal@careratings.com

CARE classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

DISCLAIMER:

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Pralhadnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr.Ashwini Jani Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 91766 47599 E-mail : ashwini.jani@careratings.com</p>	<p>Mr. Rahul Patni Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 _40102030 Mobile – 91600 04563 E-mail: rahul.patni@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>