

August 12, 2010

CARE ASSIGNS 'CARE AA' RATING TO THE PROPOSED NCD ISSUE OF AMTEK AUTO LTD

Instruments	Amount (Rs. cr)	Ratings ¹	Remarks
Non-convertible Debentures (<i>proposed</i>)	800	'CARE AA' (Double A)	Assigned

AAL is engaged in the manufacturing of various automotive machined and forged components and had an installed capacity of 310 lakh for machining components, 1,35,000 tpa for forgings and 30,000 tpa for aluminium castings as on March 31, 2010. AAL's clientele in India includes almost all major Original Equipment Manufacturers, covering passenger car segment, two wheelers, tractors and Light Commercial Vehicles, defence and other stationary engine manufacturers.

Recent Developments

In line with the recent improvement in the auto industry and the salutary impact on the auto ancillary sector, AAL reported (*unaudited*) sales of Rs.910 cr for the nine month period ended March 31, 2010 (as against Rs.800 cr for 9MFY09). The profitability margins also improved during 9MFY10 with PBILDT margin of 26.54% (23.85% in 9MFY09). The company's PAT (*unaudited*) stood at Rs.108 cr (Rs.91 cr in 9MFY09).

During Q3FY10, AAL has commissioned a new machining facility at Rudrapur, Uttarakhand thereby increasing machined auto components capacity to 310 lakh unit p.a. Further, to consolidate the operations and promoter holding under AAL, the company has announced the acquisition of majority stake in Amtek India Limited (AIL) through promoter stake acquisition and by an open offer to AIL shareholders.

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