

July 29, 2010

CARE REVISES RATINGS ASSIGNED TO LT BANK FACILITIES OF ASIA MOTOR WORKS LTD. & REAFFIRMS THE RATING OF ST BANK FACILITIES**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	856.50	'CARE B' (Single B)	Revised from CARE BB [Double B]
Short-term Bank Facilities	275.00	'PR4' (PR Four)	Reaffirmed
Total Facilities	1131.50		

Rating Rationale

The rating revision takes into consideration delays in payment of interest on corporate term loan due to liquidity constraints faced by Asia Motor Works (AMW).

Company Profile

AMW was incorporated on August 27, 2002, at Ahmedabad, Gujarat and is engaged in manufacturing of HCVs and vehicle components like wheel rims, crash barriers and press parts. As on March 31, 2009, AMW had an installed capacity of 15,000 units p.a. of manufacturing/assembling HCVs which subsequently rose to 50,000 units p.a. with the commissioning of its new assembly line in June, 2009.

The company has rescheduled its loans repayment on account of strained liquidity in the company. Nevertheless, this constraint has led to unsatisfactory debt servicing payment record in Q4FY10 and Q1FY11.

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¹Complete definition of the ratings assigned are available at www.careratings.com and various CARE publications

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