

Board approves equity infusion by Investor(s) for debt reduction in Amtek Auto and key associates

NEW DELHI, India, November 30, 2016 -The Board of Amtek Auto Limited, Metalyst Forgings Limited, ARGL Limited and Castex Technologies Limited discussed the proposed investment of equity by overseas investor(s) to take stake in each company and simultaneous proposed reduction and restructuring of the debt subject to the approval of lenders.

The proposed plan also envisages a broader corporate restructuring involving the consolidation of the domestic business and the ongoing asset monetization to support the proposed plan. The investor(s) will approach the lenders to implement the proposed comprehensive plan.

The details of the equity infusion and the restructuring of the debt and corporate restructuring shall be shared once it receives the approval essentially from lenders and shareholders.

The objective of the investor(s) as a result of their engagement with the company over the last year was to study, evaluate and arrive at a comprehensive solution for addressing the current debt obligations for the long term sustainability and viability of the company.

The plan will create an enterprise value (EV) reflecting the value of underlying assets, potential cash flows and a judicious capital structure for the benefit of all the stakeholders in the company. The plan proposes a participative ownership with a deep thrust on the organisation structure, professional management, emphasis on corporate governance and compliance. The process for the implementation of the proposal will need approval from the joint lenders forum, shareholders and other statutory bodies.

Once implemented, it will reinstate Amtek Auto and associates as a strong robust enterprise aimed at maximising the benefit to the shareholders of the company.

For further information on Amtek Auto visit www.amtek.com

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