

# Investment Opportunity – Automobile Company

# Automobile Company

## Property Overview

**Address:** Dombivali, Mumbai

**Land Area:** 41.09 Acres / 1,66,238 sq. meters

## Brief History

- India's first automobile manufacture established in 1944

## Milestones Of The Company



### 40s & 50s - Early Years

- Licence with Chrysler USA for cars and trucks
- Factory set up in Mumbai
- **1948:** 1st car rolls out
- **1952:** License with FIAT for small car



### 60s & 70s - Control Era

- Stamping plant set up at Dombivali Mumbai
- FIAT car 100% localized
- Indian Government imposes price, volume and other controls, threatening growth and survival



### 80s - Growth Phase

- Total car production crosses half million mark
- 118 NE model launched
- Production crosses 45,000 per year
- Acquires Machine Tool business



### 90s - Transformation

- Forms separate joint ventures with Peugeot and FIAT
- Goes through corporate restructuring
- Peugeot JV ends
- FIAT takes control of its JV



### 2000s to 2018

- Sells Mumbai plant; all operations at Pune Machine Tool plant
- Period of consolidation and return to consistent growth and profitability
- Expands and modernizes plant with a Rs 3 billion investment
- Starts Heavy Engineering Division
- Re-enters Auto Business with Pickup, Truck and Van
- Creates a new market segment: Compact SUV with its RiO

# Complete Machining Solutions



## Brief Details Of The Company

Company Name	ABC Limited
ROC Code	RoC-Pune (Registration Number: 020842)
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Class of Company	Public
Date of Incorporation	27.06.1944
Authorised Capital (INR)	40,00,00,000 (INR Forty Crores)
Paid up Capital (INR)	30,39,95,000 (INR Thirty Crores, Thirty Nine Lakhs, Ninty Five Thousand only)
Registered Address	(Chakan Industrial Area) Pune – 410501
Corporate Office Address	Nariman Point, Mumbai

# Core Business

- **CNC Machines:** The Company is a pioneer in the machine tool industry having started this business in 1961. It is a market leader in its product range: Gear Cutting Machines, Vertical Turret Lathes and Special Purpose Machines with a dominant market share. All its products are high technology; it only makes CNC (Computer Numerically Controlled) machines and has been ISO 9001 certified since 1993. These products cater to the automotive, auto-component and heavy engineering sectors. Some of its customers were TATA Motors, Mahindra, Ashok Leyland, BHEL, L&T, Indian Railways, Defence sector etc..
- **B Heavy Engineering:** This division was started in 2006-07 and supplied large, technically demanding, mechanical components to the wind turbine, metro-rail and power sectors.
- **ABC** produced almost all the major mechanical components for wind turbines. It catered to clients such as WindWorld, ReGen, Gamesa and Lagerway (exports). It also made chassis for Metro Rail bogies, and its customers were BEML, Hyundai and Alstom. It was a preferred supplier of chassis frames for the Delhi Metro Rail Corporation.
- Even during challenging economic times, enquiries from certain MNC clients and export markets remained active and the expectation was long term contracts from many such customers, once they could overcome the liquidity constraints.
- With the Govt. of India's recent 'Make in India' initiative, which was foreseen as a further good prospect for their heavy machines from Defence, Railways and other such sectors where the Company's machines were being sold since decades. In view of the liquidity constraints, the Company could not focus on export markets. Few machines were sold at overseas markets and the customer feedback had been quite encouraging and hence there is a potential market for CNC machines overseas as well



# Core Business

Refer the following Annexure for major plant and machinery.

Asset Description	Cap. Date	Acquisition Amount
E-CNC VERTI TURNING M/C-PTD6000 NW.145700100- REGEN	31-Dec-2013	24,36,53,349
SPM-167 NC PORATAL SURFACE GRINDER	31-Dec-2015	23,09,61,954
E-JUARISTI -BORING&MILLING CENTRE MODEL TSS-REGEN	25-Mar-2013	6,34,10,200
COLLET-BH6 (INTERNAL CAPITALIZATION)	31-Mar-2018	5,53,36,380
E- VERTICAL TURNING MACHINE-PTC-2800 (SPM 145)	31-Dec-2010	5,46,27,017
MITSUBISHI VERTICAL PRECISION MILLING M/C- MVR 30	30-Sep-2010	4,43,51,571
E- HORIZONTAL MACH.CENTER-1250HP WITH TWIN PALLET	31-Mar-2010	3,88,77,183
MITSUBISHI VERT.PRECISION MILLING M/C-1604-MVR-1	31-Mar-2009	3,31,95,398
E - DAVI - PLATE BENDING M/C MODEL:MAV3085-REGEN	25-Mar-2013	3,18,71,507
E- DOOSAN BORING & MILLING MACHINE DBC 130L-SGIN	27-Jun-2012	3,10,76,169
HMC - BFW RECONDITINING (INTERNAL CAPITALIZATION)	31-Mar-2018	3,05,08,830
E- INT.HORIZONTAL MACH.CENTER	31-Mar-2010	3,01,11,508
JIG BORING MACHINE	31-Mar-2010	2,91,34,941
TMC-1250 HMC RECONDITINING(INTERNAL CAPITALIZATI)	31-Mar-2018	2,85,37,053
E-JUARISTI -BORING&MILLING CENTRE MODEL TS5-REGEN	31-Mar-2018	2,82,80,757
E- SPM 144 NW NO.180000660-M/C NO.8000144	31-Mar-2010	2,75,51,534
MAKINO CNC HOR.MACHINING CENTER-A81 - HM 81	31-Mar-2010	2,74,27,459
CVBM RECOND. OF MACHIN 3601CVBM -225	31-Oct-2015	2,71,76,652
E-INT. HORIZONTAL MACHINING CENTER-MODEL: TMC 1250	31-Mar-2010	2,60,74,004
UNIVERSAL GRINDING MACHINE-MORARA - GU 8	31-Mar-2010	2,60,05,632
E-DOOSAN INFRACORE CNC HORIZONTAL BORING & MILLING	31-Mar-2010	2,51,64,160

## Other Significant Asset

**Location:** Dombivali, Mumbai , own by the Company

**Area:** 41.09 Acres /166238 sq. meters

**Ownership:** Freehold land

Sr. No	Survey No	Area with ABC (Sq. Mtrs)	Class of Land
1	59/1	260	I
2	73	280	I
3	74/2/B	2,060	I
4	74/3	1,180	I
5	74/4	1,580	I
6	75/5/A	900	I
7	74/5/B	940	I
8	227	38,060	II
9	228	5,61,000	II
10	229	50,800	II
11	244/2	15,078	II
		<b>1,66,238</b>	



# Investment Rationale

- In house process engineering capability for diverse manufacturing
- Integrated manufacturing system
- ISO certified
- Patented Products
- Brand Value
- Relevant assets
- Beneficial litigations expected refund
- Unabsorbed loss of Rs.362.47 crores
- Unabsorbed depreciation of Rs.253 crores
- Total of Loss available for carry forward and set off is Rs.615.47 crores

## Strategies that can be adopted

- Efficiency Leveraging
- Locational Benefit
- Market Demand
- Geographical Presence
- Order Book



# Extract of Audited Consolidated Financial Results

Sr. No	Particulars	(INR 'lakhs)	31.03.2021	31.03.2020	31.03.2019
1	Total Income from operations		738	1,054	3,225
2	Net Profit/(Loss) for the period before Exceptional items and tax		-7,836	-16,209	-16,629
3	Net Profit/(Loss) for the period before tax		-8,245	-2,122	-19,559
4	Net Profit/(Loss) for the period after tax		-8,290	-6,707	-19,659
5	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]		-8,292	-6,669	-19,417
6	Equity Share Capital		3,037	3,037	3,037
7	Reserves (excluding Revaluation Reserve)		-38,489.59	-30,197.59	-23,528.00
Earning per share (of Rs.10/- each)					
8	Basic:		-27.29	-22.08	-64.73
	Diluted:		-27.29	-27.08	-64.73

# Extract of Audited Consolidated Financial Results

Assets	FY 2020-21	FY 2019-20
	Amount (in Crores)	Amount (in Crores)
<b><u>Non Current Assets</u></b>		
Fixed Assets	162.92	180.84
Long Term Loans & Advances	40.27	42.95
Sub Total (A)	203.19	223.79
<b><u>Current Assets</u></b>		
Trade Receivables	0.00	7.22
Cash & Bank Balance	13.08	28.44
Other Current Asset	1.00	30.57
Sub Total (B)	14.08	66.23
TOTAL (A+B)	217.27	290.02

## Images – Heavy Engineering Division



## Images – Wind Steel Turbine Parts





# Metro Rail Bogie Chassis



- Complete fabrication and machining of the rail car under body chassis frame including
- Approved by Delhi Metro Rail Corporation (DMRC)



- Plate cutting
- Bending/ Forming
- Welding
- Fabrication
- Machining
- Blasting
- Painting



## Disclaimer

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