ASAL
Automotive Stampings and Assemblies Limited
CIN: L28932PN1990PLC016314

ASAL/SE/2017-18
August 9, 2017

The Executive Director,
BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Bldg., P.J.Towers,
Dalal Street, Mumbai 400 001.

Scrip Code: 520119

The Executive Director,
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra (East),
Mumbai 400 051.

Scrip Code: ASAL

SUB: Information pursuant to Regulation 30 and other applicable
Regulations of SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015

Dear Sirs,

Please refer to our earlier communication dated August 8, 2017 on revision in
Ratings.

A copy of report from the credit rating agency covering the rationale for revision in
Rating is enclosed for your information.

Please take it on your records.

Thanking you,

Yours faithfully,
For Automotive Stampings and Assemblies Limited

Ashutosh Kulkarni
Company Secretary
M. No. – A18549
Encl: As above

Website: www.autostampings.com
Regd Office: G-71/2, MIDC, Bhosari, Pune 411 026 (India) Tel: 020-6631 4316 Fax-020-6631 4543
Chakan: Gst No. 427, Medankarwadi, Chakan, Tal, Khed, Dist: Pune – 410 501 Tel: 91 2135 679800-03
Uttarakhand: Plot No. 71, Sector 11, Integrated Industrial Estate, Pantnagar, US Nagar 263153 State- Uttarakhand Tel: 91 05944250652

A TATA Enterprise
Ratings

Rating Rationale
August 08, 2017, Mumbai

Automotive Stampings and Assemblies Limited
Ratings downgraded to 'CRISIL BBB+/Stable/CRISIL A2'

Rating Action

<table>
<thead>
<tr>
<th>Total Bank Loan Facilities Rated</th>
<th>Rs 63 Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Rating</td>
<td>CRISIL BBB+/Stable (Downgraded from 'CRISIL A-/Negative')</td>
</tr>
<tr>
<td>Short Term Rating</td>
<td>CRISIL A2 (Downgraded from 'CRISIL A2+')</td>
</tr>
</tbody>
</table>

Detailed Rationale
CRISIL has downgraded its ratings on the bank facilities of Automotive Stampings and Assemblies Limited (ASAL) to 'CRISIL BBB+/Stable/CRISIL A2' from 'CRISIL A-/Negative/CRISIL A2+'.

The downgrade reflects more-than-expected delay in recovery of operating performance, resulting in deterioration in the financial risk profile of the company. During the first three months of fiscal 2018, suboptimal capacity utilisation due to lower offtake by key customers such as Tata Motors Ltd (TML; rated ‘CRISIL AA/Positive/CRISIL A1+’) and General Motors India Pvt Ltd, led to an operating loss of Rs 6.5 crore. Consistent net losses in fiscal 2016 and 2017 resulted in a decline in the networth to Rs 6 crore as on June 30, 2017, from Rs 21 crore as on March 31, 2016. As the operating performance is expected to recover only gradually with pickup in demand from its key customer, TML, the credit metrics will remain weak over the near term.

The rating continues to factor in timely financial support received by the company from its promoter, Tata Autocorp Systems Ltd (TACO; rated CRISIL AA-/Stable/CRISIL A1+), during first three months of fiscal 2018. TACO extended incremental support of Rs 5.0 crore in the form of unsecured loans.

The ratings reflect strong business and financial support from TML and the company's parent, TACO. These strengths are partially offset by a weak financial risk profile, limited product, geographical, and customer diversification, and low value-added nature of products.

Analytical Approach
For arriving at the ratings, CRISIL has factored in strong operational, financial, and managerial support from TACO.

Key Rating Drivers & Detailed Description

Strengths
- Strong business and financial support from TML and TACO
ASAL is one of the key suppliers to TML for sheet-metal stampings, welded assemblies, and modules for the passenger car segment of TML. Moreover, additional business has been received from TML’s commercial vehicle segment from fiscal 2017, which is expected to improve operating performance. In the past, TACO had extended financial support through unsecured loans and inter-corporate deposits for timely debt servicing and other funding requirement. As on June 30, 2017, unsecured loans from TACO stood at Rs 31.5 crore to ASAL. CRISIL expects that TML as well as TACO will continue to extend need based and timely support to ASAL going forward.

Weaknesses
- Limited product, geographical, and customer diversity, and low value-added operations
ASAL continues to be highly dependent on TML (about 60% of fiscal 2017 revenues), resulting in client concentration risk. Hence, ASAL’s performance is affected in case the new programmes of TML are delayed.

Further, operating profitability is constrained by a limited product range, and high fixed cost intensity. There were operating losses in fiscal 2015 and 2016 and a thin operating profit in fiscal 2017 on account of sub optimal capacity utilisation.

The product profile includes sheet metal stampings, welded assemblies, and modules, wherein value addition is low, constraining bargaining power. ASAL is planning to improve utilisation of its plants through realignment of unutilised plant and machinery which is expected to result in improvement in operating performance gradually in the medium term. Revenue is likely to increase gradually in fiscal 2018 supported by supplies for the new product launches by existing customers in the passenger vehicle segment and ramp up of business from new customers. Limited customer and geographical diversification, and the low value-added nature of products will continue to restrict any significant improvement in operating profitability and in the overall business risk profile over the medium term.

Weak financial risk profile
Operating performance deteriorated in fiscal 2018 on account of lower offtake by key customers such as TML and General Motors. Demand from original equipment manufacturers (OEMs) was impacted due to the abundant pre buying prior to introduction of BS-IV emission norms for the commercial vehicle segment.

The operating margin for the three months ended June 30, 2017, was a negative 11% against 2.6% for the corresponding period of the previous fiscal. This has resulted in depletion of its networth to Rs 6 crore and increase in total debt to Rs 82.9 crore as on June 30, 2017.

The company has moderate external debt repayment of about Rs 11 crore per annum during fiscal 2018 and 2019 which is...
likely to be met through continued support from TACO. Due to slower recovery in growth and the fixed cost-intensive nature of business, cash generation and credit metrics will remain under pressure over the medium term.

Outlook: Stable
CRISIL believes ASAL will continue to benefit from regular funding support from TACO, though the business risk profile will remain constrained because of continued weak demand from TML, over the medium term.

Upside scenario
* Substantial improvement in revenue growth and profitability, leading to better credit metrics

Downside scenario
* Higher-than-expected losses due to lower revenue growth
* Any change in CRISIL's ratings on TACO as well as its policy toward extending financial support to ASAL

About the Company
ASAL was promoted as JBM Tools Ltd (JBM) by SK Arya and Associates (SKAA) in March 1990, and got its current name in August 2003. The company mainly manufactures sheet-metal stampings, welded assemblies, and modules for passenger cars and commercial vehicles (largely for TML); these products account for more than 95% of the revenue. It has four manufacturing facilities: two in Pune, one each in Halol, Gujarat, and Pantnagar, Uttarakhand.

ASAL went public in March 1994 and in 1997. TACO, a Tata group company, became a joint venture (JV) partner in the company. In April 2002, SKAA exited the JV and transferred its entire holding in JBM to TACO and Tata Industries Ltd (CRISIL A1*). In February 2007, TACO entered into an agreement with Gestamp Servicios S.L (Gestamp) under which both the companies were to hold equal equity stakes in ASAL. Consequently, Gestamp acquired 0.01% stake through an open offer and TACO transferred 37.46% of its stake in ASAL to Gestamp. In February 2007, TACO reduced its stake to 37.50% (same as Gestamp’s), while the remaining shares were owned by the public and others. With the purchase of Gestamp’s stake in December 2010, TACO now has 75% equity stake in ASAL.

In fiscal 2017, ASAL reported net loss of Rs 3.50 crore on net revenue of Rs 304 crore, as against net loss of Rs 20.50 crore on net revenue of Rs 283 crore in fiscal 2016. In the first three months of fiscal 2018, net loss was Rs 11.4 crore on net revenue of Rs 54.50 crore, as against net loss of Rs 3 crore on net revenue of Rs 56.30 crore in the corresponding period of fiscal 2017.

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

<table>
<thead>
<tr>
<th>ISIN</th>
<th>Name of instrument</th>
<th>Date of Allotment</th>
<th>Coupon rate (%)</th>
<th>Maturity date</th>
<th>Issue Size (Rs. crore)</th>
<th>Rating assigned with Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>Long-term loan</td>
<td>NA</td>
<td>NA</td>
<td>Dec-2019</td>
<td>20.00</td>
<td>CRISIL BBB+/Stable</td>
</tr>
<tr>
<td>NA</td>
<td>Long-term loan</td>
<td>NA</td>
<td>NA</td>
<td>Dec-2020</td>
<td>10.00</td>
<td>CRISIL BBB+/Stable</td>
</tr>
<tr>
<td>NA</td>
<td>Cash credit#</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>17.00</td>
<td>CRISIL BBB+/Stable</td>
</tr>
<tr>
<td>NA</td>
<td>Letter of credit &amp; bank guarantee</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>24.00</td>
<td>CRISIL A2</td>
</tr>
<tr>
<td>NA</td>
<td>Proposed Long Term Bank Loan Facility</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>12.00</td>
<td>CRISIL BBB+/Stable</td>
</tr>
</tbody>
</table>

*Interchangeable with bank guarantee and letter of credit up to Rs 5.00 crore; and with working capital demand loan, short-term loan, letter of credit, bank guarantee, and export credit up to Rs 9.00 crore

Annexure - Rating History for last 3 Years

<table>
<thead>
<tr>
<th>Instrument Type</th>
<th>Type</th>
<th>Quantum</th>
<th>Rating</th>
<th>Start of</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Convertible Debentures</td>
<td>LT</td>
<td>--</td>
<td>CRISIL A-/Negative</td>
<td>03-07-14</td>
</tr>
<tr>
<td>Fund-based Bank Facilities</td>
<td>LT/ST</td>
<td>59</td>
<td>CRISIL A-/Negative</td>
<td>03-07-14</td>
</tr>
<tr>
<td>Non Fund-based Bank Facilities</td>
<td>LT/ST</td>
<td>24</td>
<td>CRISIL A1</td>
<td>03-07-14</td>
</tr>
</tbody>
</table>

*Table reflects instances where rating is changed or freshly assigned. No Rating Change implies that there was no rating change under the release

Annexure - Details of various bank facilities

<table>
<thead>
<tr>
<th>Current facilities</th>
<th>Previous facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility</td>
<td>Amount (Rs.Crore)</td>
</tr>
<tr>
<td>Cash Credit#</td>
<td>17</td>
</tr>
<tr>
<td>Letter of credit &amp; Bank Guarantee</td>
<td>24</td>
</tr>
<tr>
<td>Long Term Loan</td>
<td>30</td>
</tr>
</tbody>
</table>

https://www.crisil.com/Ratings/RatingList/RatingDocs/Automotive_Stampings_and_As... 8/9/2017
### : CRISIL Ratings :

<table>
<thead>
<tr>
<th>Proposed Long Term Bank Loan Facility</th>
<th>12 years</th>
<th>CRISIL BBB- Stable</th>
<th>Proposed Long Term Bank Loan Facility</th>
<th>12 years</th>
<th>CRISIL A-Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>83</td>
<td></td>
<td>Total</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

*Interchangeable with bank guarantee and letter of credit up to Rs 5.00 crore and with working capital demand loan. Short-term loans, letter of credit, bank guaranteed, and export credit up to Rs 9.00 crore.*

### Links to Related Criteria

- CRISIL Approach to Financial Ratios
- CRISIL Bank Loan Ratings - Process, Scale, and Default Recognition
- Rating Criteria for Manufacturing and Services Sector Companies
- Rating Criteria for Auto Component Suppliers
- Criteria for Rating Short-Term Debt (including Commercial Paper)

### For Further Information Contact:

<table>
<thead>
<tr>
<th>Media Relations</th>
<th>Analytical Contacts</th>
<th>Customer Service Helpdesk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saman Khan</td>
<td>Anuj Sethi</td>
<td>Timings: 10:00 am to 7:00 pm</td>
</tr>
<tr>
<td>Media Relations</td>
<td>Senior Director - CRISIL Ratings</td>
<td>Toll-free Number: 1800-267-1001</td>
</tr>
<tr>
<td>CRISIL Limited</td>
<td>CRISIL Limited</td>
<td>For a copy of Rationales/Rating Reports:</td>
</tr>
<tr>
<td>D: +91 22 3342 3865</td>
<td>B: +91 44 6656 3100</td>
<td><a href="mailto:CRISILratingdesk@crisil.com">CRISILratingdesk@crisil.com</a></td>
</tr>
<tr>
<td>B: +91 22 3342 3000</td>
<td><a href="mailto:anuj.sethi@crisil.com">anuj.sethi@crisil.com</a></td>
<td>For Analytical queries:</td>
</tr>
<tr>
<td><a href="mailto:saman.khan@crisil.com">saman.khan@crisil.com</a></td>
<td>Amit Bhave</td>
<td><a href="mailto:ratingsinvestordesk@crisil.com">ratingsinvestordesk@crisil.com</a></td>
</tr>
<tr>
<td>Tanuja Abhinandan</td>
<td>Director - CRISIL Ratings</td>
<td></td>
</tr>
<tr>
<td>Media Relations</td>
<td>CRISIL Limited</td>
<td></td>
</tr>
<tr>
<td>CRISIL Limited</td>
<td>D: +91 22 3342 3113</td>
<td></td>
</tr>
<tr>
<td>B: +91 22 3342 3000</td>
<td><a href="mailto:amit.bhave@crisil.com">amit.bhave@crisil.com</a></td>
<td></td>
</tr>
<tr>
<td><a href="mailto:tanuja.abhinandan@crisil.com">tanuja.abhinandan@crisil.com</a></td>
<td>Aksh Chugh</td>
<td></td>
</tr>
<tr>
<td>Jyoti Parmar</td>
<td>Rating Analyst - CRISIL Ratings</td>
<td></td>
</tr>
<tr>
<td>Media Relations</td>
<td>CRISIL Limited</td>
<td></td>
</tr>
<tr>
<td>CRISIL Limited</td>
<td>D: +91 22 3342 3051</td>
<td></td>
</tr>
<tr>
<td>B: +91 22 3342 3000</td>
<td><a href="mailto:Aksh.Chugh@crisil.com">Aksh.Chugh@crisil.com</a></td>
<td></td>
</tr>
</tbody>
</table>
Note for Media:
This rating reflects is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. This rating information may be used by you in full or in part without changing the meaning or context thereof. However, you are not authorized to use such credit (CRISIL) mark for any purpose including distribution of printed or electronic versions of CRISIL report. Please ensure that your use of CRISIL mark is carried out in a consistent manner, i.e., always in conjunction with the CRISIL report.

About CRISIL Limited:
CRISIL is a global, agile and innovative analytics company driven by its mission of making markets function better. We are India’s foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers.

We are majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information visit: www.crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

About CRISIL Ratings:
CRISIL Ratings is part of CRISIL Limited ("CRISIL"). We pioneered the concept of credit rating in India in 1997. CRISIL is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI"). With a tradition of independence, analytical rigour and innovation, CRISIL sets the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and any other debt/credit instruments that the issuer requests to be rated. CRISIL has also inducted several innovations in the rating business, including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We also pioneered a globally unique rating service for Micro, Small and Medium Enterprises (MSMEs) and significantly extended the accessibility to rating services to a wider market. Over 11,000 MSMEs have been rated by us.

CRISIL PRIVACY NOTICE:
CRISIL respects your privacy. We use your contact information, such as your name, address, and email id. to fulfill your request and service your account and to provide you with additional information from CRISIL and other parts of S&P Global Inc. and its subsidiaries (collectively, The Company) you may find of interest.

For further information, or to let us know your preferences with respect to receiving marketing materials, please visit www.crisil.com/pri

Last updated: April 2016

DISCLAIMER
This disclaimer forms part of and applies to each credit rating report and / or credit rating information that we provide (each a "Report"). For the avoidance of doubt, the term "Report" includes the information, ratings and other content forming part of the Report. The Report is intended for the jurisdiction of India only. The Report does not constitute, and should not be construed as, an offer of securities. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL advising or intending to provide any services in any jurisdiction where CRISIL does not have the necessary licenses and / or registration to carry out its business activities referred to above. Access or use of this Report does not constitute a client relationship between CRISIL and the user.

We are not aware that any user intends to rely on the Report or for the purpose of which a user intends to rely on the Report. In preparing our Report, we have not been able to consider the objectives or particular needs of any particular user. It is made abundantly clear that the Report is intended to and does not constitute an investment advice. The Report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or other business undertakings. The Report is not to be used by any party to derive any independent advice and does not purport to be complete or accurate. It is for information only. The user is responsible for the accuracy and adequacy, completeness or suitability of the Report.

Ratings from CRISIL Ratings are statements of opinion as to the state they are expressions and not statements of fact or recommendations to purchase, hold, or sell any securities / instruments or make any investment decisions. Any opinions or statements in a Report are subject to change without notice, and are only current as of the stated date of their issue. CRISIL reserves no obligation to update its opinions following publication in any form or format although CRISIL may disseminate its comments and analyses. CRISIL rating contained in the Report is not a substitute for the user's judgment and experience of the user. Its management, employees, advisors and / or clients when making investment or other business decisions. The recipients of the Report shall rely on their own judgment and take their own professional advice before acting on the Report in any way.

Neither CRISIL nor its affiliates, third party providers, as well as their directors, officers, shareholders, employees or agents (collectively, "CRISIL Parties") guarantee the accuracy, completeness or adequacy of the Report, and no CRISIL Party shall have any liability for any errors, omissions or interpretations thereof, regardless of the cause, or for the results obtained from the use of any part of the Report. EACH CRISIL PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. IN NO EVENT shall any CRISIL Party be liable to any party for any direct, indirect, incidental, special, punitive, general or consequential damages, costs, expenses, legal fees, or losses (including without limitation lost income or lost profits and opportunity costs) in connection with any use of any part of the Report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from others. CRISIL is a public ratings and analysis as is required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any) are made available on its web sites, www.crisil.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee. For details visit www.crisilratings.com

CRISIL and its affiliates do not act as a fiduciary. While CRISIL has obtained information from sources it believes to be reliable, CRISIL does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and / or relies in its Reports. CRISIL keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of CRISIL may have information that is not available to other CRISIL business units. CRISIL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with such analytical processes. CRISIL has in place a ratings code of conduct and policies for analytical fairness and for managing conflicts of interest. For details please refer to http://www.crisil.com/ratings/gradsppolicy.htm

This Report should not be reproduced or redistributed to any other person or in any form without a prior written consent of CRISIL.

All rights reserved @ CRISIL

Stay Connected
CRISIL Website | Twitter | LinkedIn | YouTube | Facebook

https://www.crisil.com/Ratings/RatingList/RatingDocs/Automotive_Stampings_and_As... 8/9/2017