

Date: January 2, 2025

BSE Ltd.
 Phiroze Jeejeebhoy Towers,
 Dalal Street,
 Mumbai- 400 001
BSE Scrip Code: 500020

National Stock Exchange of India Ltd.
 Exchange Plaza, 5th floor,
 Plot No. C/1, 'G' Block, Bandra-Kurla
 Complex, Bandra (E), Mumbai- 400 051
NSE Symbol : BOMDYEING

Dear Sirs,

SUB: RATINGS BY CRISIL RATINGS LIMITED

REF: REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

CRISIL Ratings Limited has revised its outlook on the long-term bank facilities and fixed deposits of Company to 'Positive' from 'Stable', while reaffirming the rating at 'CRISIL BBB+'. The rating on the short term bank loan facilities is reaffirmed at CRISIL A2+. The assigned ratings are as follows:

Rating Action

Total Bank Loan Facilities Rated	Rs.501 Crore
Long Term Rating	CRISIL BBB+/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Short Term Rating	CRISIL A2+ (Reaffirmed)
Rs.0.3 Crore Fixed Deposits	CRISIL BBB+/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)

Rating Rationale issued by the CRISIL Ratings Limited is enclosed for your reference.

You are requested to take the same on record.

Yours faithfully,

For **The Bombay Dyeing and Manufacturing Company Limited**

Sanjive Arora
Company Secretary
Membership No.: F3814
 Encl: as above



C.C. National Securities Depository Ltd.,
Trade World, 4th floor, Kamala Mills Compound,
S. Bapat Marg, Lower Parel,
Mumbai-400013.

Central Depository Services (India) Ltd.,
Marathon Futurex, A Wing, 25th Floor
N. M. Joshi Marg, Lower Parel
Mumbai- 400 013

M/s KFin Technologies Ltd.
Selenium Building, Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032



THE BOMBAY DYEING & MANUFACTURING CO. LTD.

Regd. Office: Neville House, J.N. Heredia Marg, Ballard Estate, Mumbai - 400 001, India.

Office : +91 22 666 20000 Website : www.bombaydyeing.com Email : corporate@bombaydyeing.com CIN : L17120MH1879PLC000037

Rating Rationale

January 02, 2025 | Mumbai

The Bombay Dyeing and Manufacturing Company Limited

Rating outlook revised to 'Positive'; Rating Reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.501 Crore
Long Term Rating	CRISIL BBB+/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Short Term Rating	CRISIL A2+ (Reaffirmed)

Rs.0.3 Crore Fixed Deposits	CRISIL BBB+/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
------------------------------------	--

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has revised its outlook on the long-term bank facilities and fixed deposits of The Bombay Dyeing and Manufacturing Company Limited (BDAMCL) to **'Positive'** from 'Stable', while reaffirming the rating at 'CRISIL BBB+'. The rating on the short-term bank loan facilities is reaffirmed at CRISIL A2+.

The outlook revision factors in CRISIL's expectation of improvement in business profile driven by steady growth in revenue and improvement in operating margin in the polyester staple fiber (PSF) business. The expected improvement in operating margins is driven by cost efficiency measures being undertaken to save power costs and improve realizations through value addition. Reasonable investments in capex in the cost efficiency projects through fiscal 2025 and fiscal 2026 is expected. The company has achieved Rs. 733 cr revenues with negative EBIT from the PSF segment in H1 fiscal 2025 and is expected to achieve growth in revenues with positive EBIT for full fiscal 2025. The EBIT margins are expected to be much better in H2 as compared to H1 and will continue to improve in FY 2026 as well with improved realizations and significant cost benefit projects. Sustained improvement in the operating margins in the PSF segment will remain key monitorable.

Further, the company is expected to launch fresh real estate project in H1 FY 2026 and customer bookings and response and hence cash flows from it will also be monitored. The company has already completed ICC I and II which has aided the cash flows. The company does not intend to leverage itself majorly for the upcoming real estate projects and, if required, will take up Rs.400-500 crores of external debt. Even so, financial profile and liquidity continues to be strong with no debt and surplus cash and cash equivalents including liquid investments of about Rs 1300 crores as on September 30,2024, with significant cash remaining on the books even with the launch of the real estate projects in FY 2026.

The ratings reflect diversified revenue profile and experience management, strong market position in the polyester staple (PSF) segment, healthy track record of executing real estate projects, and strong financial risk profile. These strengths are partially offset by it low operating margins in PSF segment, susceptibility to volatility in raw material prices and forex fluctuations, and exposure to cyclical inherent in the Indian real estate industry.

Analytical Approach

For arriving at the ratings, CRISIL Ratings has combined the business and financial risk profiles of BDAMCL along with its 97.36% owned subsidiary, P.T Five Star Textiles, Indonesia (PT Five).

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Diversified revenue profile and experience management:** BDAMCL is promoted by Wadia Group which commenced its operations in 1879, one of the oldest conglomerates in India with presence in several diversified industries, including FMCG, real estate, textiles, chemicals, and food processing. Further, the promoters and management team are well

qualified and experienced in this business. This has given them an understanding of the dynamics of the market and enabled them to establish relationships with suppliers and customers across segments. BDAMCL has three business divisions viz, real estate division, polyester staple fibre division (manufacture of 100% virgin polyester staple fibre & textile grade PET Chips) and retail division.

- **Healthy track record in executing real estate projects:** The real estate division of BDAMCL has completed two major real estate projects in Mumbai including the Island City Centre (ICC) residential project and WIC Worli - Axis Bank HQ (Commercial Tower). In addition, the company has increased its focus on the real estate segment over the past two to three years and has also brought in new management with extensive experience in the real estate sector. As a result, the company sold more than 99% of the units in the existing ICC project (ICC I and II). The healthy sales velocity indicates the strong brand positioning the premium segment. The strong track record of the initial phase at ICC and portfolio of owned assets should limit the implementation risks of the next phase of the project leading to timely execution and help the company sustain high profitability. The company is planning to launch the next phase in H1 FY 2026.
- **Established market position in the PSF segment:** BDAMCL is an established player in the PSF segment with significant market share of more than 10%, catering to diverse end markets. Key end markets include apparel and home textile, automobiles, geotextiles, hygiene products and industrial products. The company further benefits from established relationships with key customers and suppliers in this segment which ensures repeat orders. With capacity utilization of around 85-90%, overall net revenues have remained stable in the range of Rs 1414-1670 crores over the past 2 years from this segment. Established customer relationships ensuring repeat orders and strong market position should continue to support the business risk profile of the company.
- **Healthy financial risk profile:** With the recent sale of its land parcel at Worli, BDAMCL has received ~ Rs. 4,686 Cr from the buyer as per first tranche in October 2023 and received the second and final tranche of proceeds of ~Rs.538 Cr in August 2024. The profit from sale of land will result in healthy improvement of Net worth by the end of fiscal 2025. Currently as on September 30,2024 the company has no debt. Management's stance on remaining debt averse should support the comfortable capital structure over the medium term. The capital structure is expected to remain comfortable as total outside liabilities to adjusted networth ratio expected to remain below 0.6 times over the medium term.

Debt protection metrics are expected to be healthy as the company has no debt. Company is expected to maintain strong debt protection metrics over the medium term supported by healthy accruals and no major debt plans.

Weaknesses:

- **Susceptibility to volatility in raw material prices and forex:** The entities in the textile manmade segment have limited price negotiation capability with their suppliers due to high dependence on them. Prices of raw materials as well as energy costs, the two major input costs for the PSF division are significantly dependent on crude oil prices. Changes in oil prices could lead to an impact on margins and profitability. Therefore, margins are susceptible to variations in raw material prices, as reflected in its fluctuating operating margin. Thus, fluctuations in the value of the rupee against the US dollar may affect realizations and margins of the entities in the segment.

However, exports revenues in the PSF division providing natural hedge to the company and protection to the company against volatility in raw material prices and forex.

- **Exposure to cyclical inherent in the Indian real estate industry:** The real estate sector in India is cyclical and affected by volatile prices, opaque transactions, and a highly fragmented market structure. Hence, the business risk profile will remain susceptible to risks arising from any industry slowdown.

Liquidity: Strong

The company has built strong liquidity with the sale of Worli land leading to surplus cash and cash equivalents including liquid investments of about Rs 1300 crores as on September 30,2024. Further, cash accruals are expected to be healthy against nil debt obligations in fiscal 2025. CRISIL Ratings expects about Rs 500-600 crore funds to be maintained free of any encumbrances by the company over the medium term. The same should be further supported by customer advances from the upcoming real estate projects. Low gearing and healthy net worth support its flexibility and provides the financial cushion available in case of any adverse conditions or downturn in the business.

Outlook: Positive

CRISIL Ratings believes that BDAMCL's business profile will strengthen driven by improving operating margin through cost efficiency projects and launch of real estate project.

Rating sensitivity factors

Upward factors

- Significant and sustained improvement in operating profitability leading to higher net cash accruals of above Rs. 85 crores, mainly driven by PSF segment.
- Timely launch of new projects and adequate customer bookings leading to substantial cash flow from operations.
- Sustenance of financial risk profile and liquidity surplus.

Downward factors

- Low cash flow from operations because of subdued response to, or delay in execution/launch of upcoming project weakening the business risk profile.
- Significant weakness in profitability or higher than expected debt levels leading interest coverage below 3 times from fiscal 2025 onwards.
- Any large cash outflows in form of capex, dividends or group support depleting the liquidity surplus from expected levels.

About the Company

BDAMCL is a flagship company of Wadia Group and was incorporated in August 1879 by Mr. Nowrosjee Wadia. BDAMCL is engaged in three business divisions, i.e., manufacturing polyester staple fiber (PSF), real estate and textile retail business. BDAMCL is listed at BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

Currently, the Company is headed by Mr. Nusli N. Wadia as a Chairman, Mr. Ness N. Wadia and Mr. Jehangir N. Wadia are Director on the Board of the Company, along with a team of professionals. In addition PT Five currently has no operations.

Key Financial Indicators

As on/for the period ended March 31	Unit	H1 2025	2024	2023
Operating income	Rs.Crore	831.6	1685	2649
Reported profit after tax	Rs.Crore	408	2948	(516)
PAT margins	%	49	174	-19.5
Adjusted Debt/Adjusted Networkth	Times	-	-	(2.86)
Interest coverage	Times	1.64	0.19	0.11

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Fixed Deposits	NA	NA	NA	0.30	Simple	CRISIL BBB+/Positive
NA	Cash Credit	NA	NA	NA	50.00	NA	CRISIL BBB+/Positive
NA	Non-Fund Based Limit	NA	NA	NA	450.00	NA	CRISIL A2+
NA	Proposed Working Capital Facility	NA	NA	NA	1.00	NA	CRISIL BBB+/Positive

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
The Bombay Dyeing and Manufacturing Company Limited	Full	Parent Company
Pentafil Textile Dealers Limited	Full	Subsidiary Company (97.36%)

Annexure - Rating History for last 3 Years

	Current	2025 (History)	2024	2023	2022	Start of 2022

Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	51.0	CRISIL BBB+/Positive		--	25-06-24	CRISIL BBB+/Stable	04-12-23	CRISIL BBB+/Stable		--	--
			--		--	04-01-24	CRISIL BBB+/Stable		--		--	--
Non-Fund Based Facilities	ST	450.0	CRISIL A2+		--	25-06-24	CRISIL A2+	04-12-23	CRISIL A2+		--	--
			--		--	04-01-24	CRISIL A2+		--		--	--
Fixed Deposits	LT	0.3	CRISIL BBB+/Positive		--	25-06-24	CRISIL BBB+/Stable		--		--	--
			--		--	04-01-24	CRISIL BBB+/Stable		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	50	State Bank of India	CRISIL BBB+/Positive
Non-Fund Based Limit	450	State Bank of India	CRISIL A2+
Proposed Working Capital Facility	1	Not Applicable	CRISIL BBB+/Positive

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
Rating criteria for manufacturing and service sector companies
CRISILs Rating criteria for Real Estate Developers
CRISILs Criteria for Consolidation
CRISILs Criteria for rating short term debt

Media Relations	Analytical Contacts	Customer Service Helpdesk
<p>Ramkumar Uppara Media Relations CRISIL Limited M: +91 98201 77907 B: +91 22 3342 3000 ramkumar.uppara@crisil.com</p> <p>Prakruti Jani Media Relations CRISIL Limited M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com</p> <p>Sanjay Lawrence Media Relations CRISIL Limited M: +91 89833 21061 B: +91 22 3342 3000 sanjay.lawrence@crisil.com</p>	<p>Himank Sharma Director CRISIL Ratings Limited B:+91 22 3342 3000 himank.sharma@crisil.com</p> <p>Ankita Gupta Associate Director CRISIL Ratings Limited B:+91 22 3342 3000 ankita.gupta@crisil.com</p> <p>BOTLA LAKSHMAN KUMAR Manager CRISIL Ratings Limited B:+91 22 3342 3000 BOTLA.KUMAR@crisil.com</p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301</p> <p>For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com</p> <p>For Analytical queries: ratingsinvestordesk@crisil.com</p>

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL Ratings. However, CRISIL Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About CRISIL Ratings Limited (A subsidiary of CRISIL Limited, an S&P Global Company)

CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set 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 other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

CRISIL Ratings Limited ('CRISIL Ratings') is a wholly-owned subsidiary of CRISIL Limited ('CRISIL'). CRISIL Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is 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](#)

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We may use your contact information, such as your name, address and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') provided by CRISIL Ratings Limited ('CRISIL Ratings'). 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 use only within the jurisdiction of India. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRISIL Ratings provision or intention to provide any services in jurisdictions where CRISIL Ratings does not have the necessary licenses and/or registration to carry out its business activities. Access or use of this report does not create a client relationship between CRISIL Ratings and the user.

The report is a statement of opinion as on the date it is expressed, and it is not intended to and does not constitute investment advice within meaning of any laws or regulations (including US laws and regulations). The report is not an offer to sell or an offer to purchase or subscribe to any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way.

CRISIL Ratings and its associates do not act as a fiduciary. The report is based on the information believed to be reliable as of the date it is published, CRISIL Ratings does not perform an audit or undertake due diligence or independent verification of any information it receives and/or relies on for preparation of the report. THE REPORT IS PROVIDED ON "AS IS" BASIS. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, CRISIL RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE. In no event shall CRISIL Ratings, its associates, third-party providers, as well as their directors, officers, shareholders, employees or agents be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special 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.

The report is confidential information of CRISIL Ratings and CRISIL Ratings reserves all rights, titles and interest in the rating report. The report shall not be altered, disseminated, distributed, redistributed, licensed, sub-licensed, sold, assigned or published any content thereof or offer access to any third party without prior written consent of CRISIL Ratings.

CRISIL Ratings or its associates may have other commercial transactions with the entity to which the report pertains or its associates. Ratings are subject to revision or withdrawal at any time by CRISIL Ratings. 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 obligors.

CRISIL Ratings has in place a ratings code of conduct and policies for managing conflict of interest. For more detail, please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>. Public ratings and analysis by CRISIL Ratings, as are required to be disclosed under the Securities and Exchange Board of India regulations (and other applicable regulations, if any), are made available on its websites, www.crisilratings.com and <https://www.ratingsanalytica.com> (free of charge). CRISIL Ratings shall not have the obligation to update the information in the CRISIL Ratings report following its publication although CRISIL Ratings may disseminate its opinion and/or analysis. Reports with more detail and additional information may be available for subscription at a fee. Rating criteria by CRISIL Ratings are available on the CRISIL Ratings website, www.crisilratings.com. For the latest rating information on any company rated by CRISIL Ratings, you may contact the CRISIL Ratings desk at crisilratingdesk@crisil.com, or at (0091) 1800 267 1301.

CRISIL Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: <https://www.crisilratings.com/en/home/our-business/ratings/credit-ratings-scale.html>