



PUDUMJEE

PUDUMJEE INDUSTRIES LTD.
Registered Office

JWP:- 244

19th October, 2016

The Manager,
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Scrip Code: 516092

The Manager,
Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051.

Scrip Code: PDUMJEIND

Dear Sir,

Sub: Intimation of Revision in Credit Rating under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations") we have to inform you that CRISIL has assigned the following revised credit rating to the Company.

Total Bank Loan Facilities Rated	Rs. 560 Million
Long Term Rating	CRISIL BBB+/Stable (Downgraded from 'CRISIL A-'; removed from 'Watch with Developing Implications')

It may be noted that the Company does not have any outstanding of such loans since these loans have been transferred to Pudumjee Paper Products Limited (PPPL) pursuant to the Scheme of Arrangement and Reconstruction (Demerger) implemented on 1st February 2016 (Effective Date).
A copy of CRISIL Rating Rationale is enclosed.

Thanking you,

Yours faithfully,

For PUDUMJEE INDUSTRIES LTD

(J.W. Patil)
Company Secretary
Encl: A/a

Registered Office:

Thergaon, Chinchwad, Pune-411033 Tel: +91-20-40773333, Fax : +91-20-4077 3388
E-Mail : pune@pudumjee.com, sk@pudumjee.com. CIN: L74999MH1999PLC013394

Corporate Office:

Jatia Chambers, 60, Dr. V.B.Gandhi Marg, Kalaghoda. Mumbai-400001 India.
Tel: +91-22-30213333, 22674485, 66339300, Fax: +91-22-22658316.
E-Mail: pudumjee@pudumjee.com Web Site : www.pudumjeeindustries.com.

Ratings



Rating Rationale

October 07, 2016 | Mumbai

Pudumjee Industries Limited

Rating downgraded to 'CRISIL BBB+/Stable', removed from 'Watch Developing'

Total Bank Loan Facilities Rated	Rs.560 Million
Long Term Rating	CRISIL BBB+/Stable (Downgraded from 'CRISIL A-'; removed from 'Watch with Developing Implications')

(Refer to Annexure 1 for Facility-wise details)

CRISIL has downgraded its rating on the bank facility of Pudumjee Industries Ltd (PIL; part of the Pudumjee group) to 'CRISIL BBB+' from 'CRISIL A-', and removed it from 'Watch with Developing Implications'; the outlook on the long-term rating is 'Stable'.

CRISIL had placed the ratings on Watch, following PIL's announcement of a corporate restructuring scheme, which involved demerger of its paper manufacturing business, with all its assets and liabilities, into Pudumjee Paper Products Ltd (PPPL). The scheme for demerger was approved by the Mumbai High Court in January 2016, and the paper manufacturing assets were transferred to PPPL in February, 2016. Hence, the ratings have been removed from watch.

The downgrade reflects weakening in the group's business risk profile due to the demerger of the paper business and transfer of its core manufacturing assets to PPPL. The group now only has windmills, with power generation capacity of 4.6 megawatt (MW) and income from real estate business, resulting in decline in revenue to Rs 340 million in fiscal 2016. However, the financial risk profile remains strong because of healthy network and low gearing of Rs 629 million and 0.23 time, respectively, as on March 31, 2016. Furthermore, surplus in the real estate business supports liquidity, resulting in strong debt protection metrics, with adjusted interest coverage and net cash accrual to total debt of 8.9 times and 63% respectively in fiscal 2016. CRISIL believes the Pudumjee group will maintain its strong financial risk profile over the medium term in the absence of debt-funded capital expenditure (capex).

The ratings reflect the extensive experience of the group's management and its strong financial risk profile. The ratings also factor in healthy cash flow from its real estate project, healthy debt service coverage ratio for the windmill loan over its tenure, and the escrow-backed mechanism for servicing the debt where sale proceeds from all wind assets will be deposited. These strengths are partially offset by vulnerability of output to variability in wind speed, and customer concentration in revenue.

For arriving at the ratings, CRISIL has combined the business and financial risk profiles of PIL, its wholly owned subsidiaries, Pudumjee Hygiene Products Ltd (PHPL) and Pudumjee Holding Ltd (PHL) with Pudumjee Pulp & Paper Mills Ltd (PPML) and its wholly owned subsidiary Pudumjee Investment and Finance Company Ltd (PIFCL). The companies are collectively referred to as the Pudumjee group. CRISIL has also taken into account PPML's interest in Pudumjee-G: Corp Developers using the proportionate consolidation method.

Outlook: Stable

CRISIL believes the Pudumjee group will maintain its healthy financial risk profile over the medium term. The outlook may be revised to 'Positive' if a substantial and sustained increase in scale of operations and profitability results in sizeable cash accrual. The outlook may be revised to 'Negative' if there is a steep decline in surplus in the real estate business, or significant weakening in capital structure, because of large debt-funded capex.

About the Group

PIL manufactures specialty paper: its product mix comprises crepe tissue, hygiene tissue, machine-glazed tissue, carbon tissue, poster paper, kraft paper, glassine paper, and wrappers for fruits, flowers, and food. This business and all its assets and liabilities were transferred to PPPL in fiscal 2016. PHPL markets hygiene products under the brand Greenlime; this business was also transferred to PPPL in fiscal 2016.

PPML operates three windmills, two in Satara and one in Sangli in Maharashtra, with capacity of 4.6 MW. PHL and PIFCL are investment holding companies with no major business activities.

The Pudumjee group has entered into a joint venture agreement with G: Corp Developers for developing Greens, a residential project at Chinchwad in Pune, Maharashtra. The group has 60% share in profit from the project.

Annexure 1 - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Million)	Rating	Facility	Amount (Rs.Million)	Rating
Proposed Long Term Bank Loan Facility	560	CRISIL BBB+/Stable	Cash Credit	140	CRISIL A-/Watch Developing
--	0	--	Letter of credit & Bank Guarantee	330	CRISIL A2+/Watch Developing
--	0	--	Proposed Long Term Bank Loan Facility	90	CRISIL A-/Watch Developing

Total	560	--	Total	560	--
-------	-----	----	-------	-----	----

Links to related criteria

CRISILs Approach to Financial Ratios

CRISILs Bank Loan Ratings - process, scale and default recognition

Rating Criteria for Manufacturing Companies

Rating Criteria for Paper Industry

CRISILs Criteria for Consolidation

Criteria for rating Short-Term Debt (including Commercial Paper)

For further information contact:

Media Relations	Analytical Contacts	Customer Service Helpdesk
Tanuja Abhinandan Media Relations CRISIL Limited D: +91 22 3342 1818 M: +91 98 192 49980 B: +91 22 3342 3000 tanuja.abhinandan@crisil.com Jyoti Parmar Media Relations CRISIL Limited D: +91 22 3342 1835 B: +91 22 3342 3000 jyoti.parmar@crisil.com	Salim Yahoo Director - CRISIL Ratings CRISIL Limited D: +91 22 3342 3031 salim.yahoo@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

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. However, CRISIL alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

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.

About CRISIL Limited

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

CRISIL 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](#)

About CRISIL Ratings

CRISIL Ratings is part of CRISIL Limited ("CRISIL"). We pioneered the concept of credit rating in India in 1987. 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 other structured debt instruments. We have rated over 24,500 large and mid-scale corporates and financial institutions. CRISIL has also instituted several innovations in India 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 95,000 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 fulfil 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/privacy. You can view the Company's Customer Privacy at <https://www.spglobal.com/privacy>

Last updated: April 2016

DISCLAIMER

This disclaimer forms part of and applies to each credit rating report and/or credit rating rationale that we provide (such 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. 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 providing or intending to provide any services in jurisdictions 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 create a client relationship between CRISIL and the user.

We are not aware that any user intends to rely on the Report or of the manner in which a user intends to use the Report. In preparing our Report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the Report is not 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 solicitation of any kind or otherwise enter into any deal or transaction with the entity to which the Report pertains. The Report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL. Rating are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities / instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL assumes no obligation to update its opinions following publication in any form or format although CRISIL may disseminate its opinions and analysis. CRISIL rating contained in the Report is not a substitute for the skill, 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 should 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 interruptions therein, 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, 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.

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's public ratings and analysis as are 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 – more details about CRISIL ratings are available here: 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 each analytical process. CRISIL has in place a ratings code of conduct and policies for analytical firewalls and for managing conflict of interest. For details please refer to: <http://www.crisil.com/ratings/highlightedpolicy.html>

CRISIL's rating criteria are generally available without charge to the public on the CRISIL public web site, www.crisil.com. For latest rating information on any instrument of any company rated by CRISIL you may contact CRISIL RATING DESK at CRISILratingdesk@crisil.com, or at (0091) 1800 287 1301.

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](#)

CRISIL has revised its rating symbols and definitions with effect from July 11, 2011, to comply with the SEBI circular, 'Standardisation of Rating Symbols and Definitions'. The revised rating symbols carry the prefix, 'CRISIL'. The rating symbols for short-term instruments have been revised to 'CRISIL A1', 'CRISIL A2', 'CRISIL A3', 'CRISIL A4', and 'CRISIL D' from the earlier 'P1', 'P2', 'P3', 'P4', and 'P5', respectively. The revision in the rating symbols and definitions is not to be construed as a change in the ratings. For details on revised rating symbols and definitions, please refer to the document, 'Revision of Rating Symbols and Definitions', at the link, <http://www.crisil.com/ratings/credit-rating-scale.html>