

Blue Blends India Limited (Revised)

September 16, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-Term Long-Term Instruments	9.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE had, vide its press release dated June 19, 2018, placed the rating of Blue Blend (India) Ltd. (BBIL) under the 'Issuer non-cooperating' category as BBIL had failed to provide information for monitoring as agreed in its Rating Agreement. BBIL continues to be non-cooperative despite repeated requests for submission of information through e-mail dated September 06, 2024. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The rating assigned to BBIL factors in non-payment of dividend on preference shares rated by CARE. The rated instrument is dividend bearing in nature with dividend rate of 1% p.a.

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of the key rating drivers:

Key Rating Weaknesses

Non-payment of dividend on preference shares

Due to accumulated losses of past several years, BBIL did not declare any dividend on equity shares. Preference shares rated by CARE are non-cumulative, non-convertible and bearing dividend rate of 1% p.a. The company has not paid dividend on this instrument due to poor liquidity position.

Liquidity: Poor

The liquidity of the company is poor which is evident by its inability to pay dividends and continuous losses.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Definition of Default](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Manufacturing Companies](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Incorporated in 1981 as a private limited company, Blue Blends (India) Ltd (BBIL) is engaged in the manufacturing of denim fabrics. BBIL was later reconstituted as public limited company in 1983 and is listed on the Bombay Stock Exchange (BSE). The company is promoted and managed by the Arya family, led by Mr. Anand Arya, who has over 3.5 decades of experience in the textile industry. BBIL has its administrative office in Mumbai and a manufacturing plant located at Ahmedabad, with an installed capacity of 18 million metric tonnes/annum (utilized about 80% in FY17). BBIL sells its product through its wide network of dealers and distributors all over India.

Brief Financials (₹ crore)	March 31, 20219 (A)	March 31, 2020 (A)	March 31, 2021 (A)
Total operating income	57.36	19.23	9.53
PBILDT	-26.55	-4.87	-8.00
PAT	-45.46	-14.31	-10.18
Overall gearing (times)	NM	-2.23	-1.48
Interest coverage (times)	NM	-0.56	-423.28

A: Audited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: BWR (Brick Work Rating) vide its press release dated May 30, 2024 had classified the ratings assigned to NCD Non-convertible debentures of Blue Blends (India) Ltd. (BBIL) as "Issuer did not cooperate – BWR D". The reason provided by BWR (Brick Work Rating) is non-furnishing of requisite information for monitoring of ratings.

Any other information: Not Applicable

Disclosure of Interest of Independent/Non-Executive Directors of CARE Ratings Ltd.: Not Applicable

Disclosure of Interest of Managing Director & CEO: Not Applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Preference Shares-Non Convertible Redeemable Preference Share		13-10-2015 00:00:00	1%	October 13, 2025	9.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Preference Shares-Non Convertible Redeemable Preference Share	LT	9.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (28-Jun-23)	1)CARE D; ISSUER NOT COOPERATING* (15-Apr-22)	1)CARE D (RPS); ISSUER NOT COOPERATING* (10-Mar-22)

*Issuer did not cooperate; based on best available information.

*LT: Long Term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Preference Shares-Non Convertible Redeemable Preference Share	Highly Complex

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact Us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Achin Nirwani Director CARE Ratings Limited Phone: 022- 6754 3566 E-mail: achin.nirwani@careedge.in
Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-67543444 E-mail: ankur.sachdeva@careedge.in	Arunava Paul Associate Director CARE Ratings Limited Phone: 022- 6754 3667 E-mail: arunava.paul@careedge.in
	Aman Goel Analyst CARE Ratings Limited E-mail: aman.goel@careedge.in

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For the detailed Rationale Report and subscription information,
please visit www.careedge.in**