# Blue Star Security & Facility Services

September 22, 2026

| Facilities/Instruments | Name of the Regulator[1] | Amount (₹ crore) | Rating[2] | Rating Action |
|---|---|---|---|---|
| Long Term / Short Term Bank Facilities | RBI | 0.55 | CARE B; Stable / CARE A4; ISSUER NOT COOPERATING* | LT rating downgraded from CARE B+; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category |
| Long Term Bank Facilities | RBI | 6.20 | CARE B; Stable; ISSUER NOT COOPERATING* | Downgraded from CARE B+; Stable and moved to ISSUER NOT COOPERATING category |
| Short Term Bank Facilities | RBI | 3.25 | CARE A4; ISSUER NOT COOPERATING* | Rating moved to 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 Ratings Limited (CareEdge Ratings) has been seeking information from Blue Star Security & Facility Services (BSSFS) to monitor the rating vide e-mail communications dated May 29, 2026, June 09, 2026, June 11, 2026, June 15, 2026, June 18, 2026, June 22, 2026, June 29, 2026, July 01, 2026, September 15, 2026 among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited (CareEdge Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited (CareEdge Ratings)'s opinion is not sufficient to arrive at a fair rating. The ratings on BSSFS's bank facilities will now be denoted as **'CARE B; Stable; ISSUER NOT COOPERATING/ CARE A4; ISSUER NOT COOPERATING'.**

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

The ratings assigned to the bank facilities of BSSFS are revised on account of non-availability of requisite information. Further, ratings assigned to the bank facilities of BSSFS remain constrained on account of modest scale of operations, tender driven nature and intense competition and low net worth base of the firm. The ratings are further constrained due to regulated nature of the manpower industry, working capital intensive nature of operations and proprietorship nature of constitution. The ratings, however, derive strength from experienced promoters, moderate profitability and strong clientele base along with near term revenue visibility.

**Analytical approach:** Standalone

**Outlook:** Stable

**Detailed description of the key rating drivers**

At the time of last rating on September 15, 2025, the following were the rating strengths and weaknesses

## Key Weaknesses

**Modest scale of operations**

Total operating income (TOI) of the firm remained modest, and rangebound, though increased from Rs.18.28 Crore to Rs.24.59 Crore over past five years ended FY25 (refers to April 1 to March 31) on account of improved customer demand and addition of new clients.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

**Low net worth base with moderate debt coverage indicators**
While BSSFS has minimal reliance on external borrowings, net worth of the firm remained low. As on March 31, 2025, net worth stood low at Rs.4.78 crore (Rs.4.50 crore as on March 31, 2024), limiting firm's financial flexibility. Debt coverage indicators stood moderate marked by total debt to gross cash accruals (TDGCA) and interest coverage of 6.10 years and 2.54x respectively in FY25 (4.05 years and 2.36x respectively in FY24).

**Elongated operating cycle**
Operation remained working capital intensive marked by gross current asset above 150 days for last five years ending FY25 (126 days in FY25). The operating cycle remained at 85 days in FY25, compared to 71 days in FY24 primarily due to reduction in average creditors days marked by 18 days in FY25 as against 38 days in FY24.

**Tender driven nature and intense competition**
The business operations of the firm are largely dependent on the number of tenders floated and the success rate of the firm in winning those tenders. The manpower services industry has large number of unorganized and organized players leading to intense competition. Unorganized players have regional presence and offer services at low-cost resulting in pricing pressure. Moreover, the industry has high employee attrition rate due to the presence of large number of unorganized players. Any issues with regards to availability of workforce may constrain the relationship with the client and impact revenue and profitability.

**Proprietorship nature of constitution**
BSSFS, being a proprietorship firm, is exposed to inherent risk of withdrawal of capital by the proprietor, restricted access to funding and risk of dissolution. Furthermore, proprietorship firms have restricted access to external borrowing as credit worthiness of proprietor would be the key factors affecting credit decision for the lenders.

**Regulated nature of private security industry**
The security services industry is a labour-intensive industry. Parliament of India has passed Private Security Agencies (Regulation) Act, 2005 to safeguard the interests of private security guards. The Act provides guidelines for the regulation of the industry. The act lays down guidelines for licensing and training norms of the security guards. The government regulations are necessary to prevent exploitative tendency of private industry players vis-à-vis low wages and unfriendly employment practices.

## Key Strengths

**Moderate profitability**
The firm's pricing strategy accounts for employee wages, workforce requirements, maintenance, and other indirect expenses, all factored into the bid value. It also benefits from contract clauses that allow price revisions based on government rules, which helps in maintaining steady profits. PBILDT margin remained moderate in the range of 9-10% for past five years ending FY25, with employee cost being the major expense, contributing about 80-85% of the overall expenses. PAT margin also remained moderate around 3.5-5.3% marked by high interest expense.

**Experiences Promoters**
BSSFS is promoted by Vikas Bhoir who has over two decades of experience in private security industry, oversees overall operations of the firm. Further, propreitoris assisted by a team of qualified professionals consisting of ex-servicemen from Indian Navy, Army and Police services who have substantial experience in the manned security guarding industry.

**Strong clientele base and near-term revenue visibility**
The firm primarily secures government contracts, typically awarded for a duration of three years, with billing carried out on a monthly basis. It has been serving Jawaharlal Nehru Port Trust for the past decade, which has strengthened its relationship and often facilitates contract extensions. Additionally, the firm has current pending contracts worth ~Rs.36 crore to be executed over near term. These contracts also include provisions for wage revisions in accordance with the Labour Act and other relevant government regulations.

**Assumptions/Covenants:** Not Applicable

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

## Applicable criteria

Information Adequacy Risk and Issuer Non-Cooperation
Definition of Default
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Service Sector Companies
Short Term Instruments

## About the firm and industry

### Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Services | Services | Commercial Services & Supplies | Diversified Commercial Services |

Incorporated in 2009, Blue Star Security & Facility Services, established by Vikas Bhoir, is an ISO 9001:2015 and ISO 14001:2015 certified proprietorship firm, offering integrated security and facility management solutions. With a workforce of around 850 manpower operating across the Mumbai region, it caters to a wide range of sectors such as industrial units, logistics hubs, financial institutions, and retail outlets. Approximately 70% of the firm's total business comes from government clients through the tender process.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) |
|---|---|---|
| Total operating income | 24.03 | 24.59 |
| PBILDT* | 2.42 | 2.29 |
| Profit after tax (PAT) | 1.26 | 0.93 |
| Overall gearing (x) | 1.26 | 1.36 |
| Interest coverage (x) | 2.36 | 2.54 |

A: Audited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Covenants of rated instrument / facility:** Annexure-3

**For complexity level of instruments rated refer to Annexure-1**

**Lender details**: Annexure-4

**Disclosure on facilities/instruments and name of the regulators:**
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

## Annexure-1: Details of instruments/facilities

| Name of the Instrument | Name of the Regulator | Complexity Level | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|---|---|
| Fund-based - LT-Cash Credit | RBI | Simple | - | | - | - | 6.20 | CARE B; Stable; ISSUER NOT COOPERATING* |
| Fund-based/Non-fund-based-LT/ST | RBI | Simple | - | | - | - | 0.55 | CARE B; Stable / CARE A4; ISSUER NOT COOPERATING* |
| Non-fund-based - ST-Bank Guarantee | RBI | Simple | - | | - | - | 3.25 | CARE A4; ISSUER NOT COOPERATING* |

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

## Annexure-2: Rating history for 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 2026-2027 | Date(s) and Rating(s) assigned in 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 |
| 1 | Fund-based/Non-fund-based-LT/ST | LT/ST | 0.55 | CARE B; Stable / CARE A4; ISSUER NOT COOPERATING* | - | 1)CARE B+; Stable / CARE A4 (15-Sep-25) | - | - |
| 2 | Fund-based - LT-Cash Credit | LT | 6.20 | CARE B; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B+; Stable (15-Sep-25) | - | - |
| 3 | Non-fund-based - ST-Bank Guarantee | ST | 3.25 | CARE A4; ISSUER NOT COOPERATING* | - | 1)CARE A4 (15-Sep-25) | - | - |

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not Applicable

## Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

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

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**About us:**

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