

## Rating Rationale

Blue Blends India Ltd.

22 May 2019

Brickwork Ratings has reviewed the Rating for the Non-Convertible Debentures issue of Rs. 43 crores of Blue Blends India Ltd. based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is reaffirmed as below:

### Particulars

Instrument	Issue Date	Previous Amt (Rs in Crs)	Present Amt (Rs in Crs)	Coupon	Maturity Date	ISIN Particulars	Previous Rating (Jun 2018)	Rating*
NCD	31 Jan 2017	43	43	16% p.a	31 Mar 2020	INE113O07029	Issuer did not Cooperate <b>BWR D</b> (Pronounced as BWR D)	Issuer did not Cooperate <b>BWR D</b> (Pronounced as BWR D) <b>(Reaffirmed)</b>

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings  
Issuer did not co-operate; based on best available information

### Ratings: Reaffirmed

**Nature of Non-co-operation:** The rating was due for a review in February 2018, and in the absence of required information and non cooperation from the Issuer, the rating was downgraded to BWR BB- (Outlook: Stable) and migrated to 'Issuer did not cooperate' category in March 2018, subsequently after debenture trustee feedback regarding non payment of dues on time, the rating was further downgraded to BWR D under Issuer did not cooperate category in June 2018.

The Company has continued to remain non cooperative and has not provided the minimum required information for a review in spite of repeated followup via emails and telephonic calls. However, BWR has received the debenture trustee feedback that the company has defaulted in its interest servicing and hence, the rating has been reaffirmed at BWR D under Issuer did not Cooperate category.

**Limitations of the rating:** Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

### About the Company (Information as available)

Blue Blends India Limited was incorporated in the year 1981 as a private limited company and became a public limited company in the year 1983. The company came out with public issue in February 1984 and its equity shares are listed in BSE. The company manufactures various denim fabric with varying degree of characteristics. The Company is promoted by Mr. Anand Arya.

### Company's financial performance:

The company has achieved total operating income of Rs. 132.21 Crs and incurred net loss of Rs. 32.71 Crs in FY18 as against total operating income of Rs. 164.92 Crs and PAT of Rs. 6.99 in FY17.

### Rating History for the last three years

S.No	Instrument	Current Rating (2019)			Rating History		
		Tenor	Amount (₹ Cr)	Rating^	27 June 2018	07 March 2018	15 February 2017
1.	NCD	3 Year; 3 Months	43	<b>Issuer Did not Cooperate BWR D</b> (Pronounced as BWR D) (Reaffirmed)	<b>Issuer Did not Cooperate BWR D</b> (Pronounced as BWR D)	<b>BWR BB-</b> (Pronounced as BWR Double B Minus) <b>(Outlook: Stable)</b>	<b>BWR BB</b> (Pronounced as BWR Double B) <b>(Outlook: Stable)</b>
2.	OCD	-	-	-	-	<b>Rating withdrawn</b>	<b>BWR BB</b> (Pronounced as BWR Double B) <b>(Outlook: Stable)</b>
<b>Total</b>			<b>43</b>	<b>Rupees Forty Three Crores Only</b>			

*Note: Rating was transferred to rating not reviewed category in 16 February 2018*

^Issuer did not co-operate; based on best available information

Status of non-cooperation with previous CRA: NA

### Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain [hyperlinks](#) from website

**Blue Blends India Ltd.**

**Annexure I**

Particulars	Units	Consolidated 2017 (Audited)	Consolidated 2018 (Audited)
Total operating Income	₹ Cr	164.92	132.21
EBIDTA	₹ Cr	20.52	-0.34
PAT	₹ Cr	6.99	-32.71
Tangible Networth	₹ Cr	51.08	9.59
Total Debt : TNW	Times	1.66	8.48
Current Ratio	Times	3.35	1.21

**Note:** As per information available on BSE

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**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**



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