

**Blue Blends (India) Limited**

December 18, 2020

**Ratings**

Facilities/Instruments*	Amount (Rs. crore)	Rating <sup>11</sup>	Rating Action
Non-Convertible Redeemable Preference Share	9.00	CARE D (RPS); ISSUER NOT COOPERATING* [Single D (Redeemable Preference Shares) ISSUER NOT COOPERATING*]	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE C (RPS); [Single C (Redeemable Preference Shares)]
<b>Total Long Term Instruments</b>	<b>9.00 (Rs. Nine Crore Only)</b>		

*\*Details of instruments/facilities in Annexure-1*
**Detailed Rationale & 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-mails dated December 03, 2020, December 04, 2020, December 07, 2020 and December 08, 2020. 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.

**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.

**Analytical approach:** Standalone

**Applicable Criteria**

[CARE's policy on Default recognition](#)

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

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

**About the Company**

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 three decades of experience in the textile industry. The manufacturing facility is located at Ahmedabad, with an installed capacity of 18 million metric tonnes/annum. BBIL sells its product through its wide network of dealers and distributors all over India.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	57.36	19.23

<sup>11</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

\*Issuer did not cooperate; Based on best available information

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
PBILD	-26.55	-4.87
PAT	-45.46	-14.31
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited; NM: Not meaningful

**Status of non-cooperation with other CRA:** BWR (Brick Work Rating) vide its press release dated April 15, 2020 had classified the ratings assigned to NCD Non-convertible debentures of Blue Blends (India) Ltd. (BBIL) as "Issuer did not cooperate – BWR D".

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Preference Shares-Non Convertible Redeemable Preference Share	October 13, 2015	1%	October 13, 2025	9.00	CARE D (RPS); ISSUER NOT COOPERATING*

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

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Preference Shares-Non Convertible Redeemable Preference Share	LT	9.00	CARE D (RPS); ISSUER NOT COOPERATING*	-	1)CARE C (RPS); ISSUER NOT COOPERATING* (22-Nov-19)	1)CARE C (RPS); ISSUER NOT COOPERATING* (19-Jun-18)	1)CARE BB (RPS); Stable (08-Dec-17)

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

**Annexure 4: Complexity level of various instruments rated for this Company**

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

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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**About CARE Ratings:**

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**