

Axita Cotton Limited
(erstwhile known as Axita Cotton Private Limited)

March 25, 2019

Rating

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	-	-	Withdrawn
Total Facilities	-		

Details of instruments / facilities in Annexure-1

Detailed Rationale, Key Rating Drivers & Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the bank facilities of Axita Cotton Limited (ACL) with immediate effect. The above action has been taken at the request of the client and 'No Objection Certificate' received from the bank that has extended the facilities rated by CARE.

Analytical Approach: Not Applicable

Applicable Criteria

[CARE's policy on withdrawal of ratings](#)

About the Company

Ahmedabad based (Gujarat) ACL is engaged into the activity of cotton ginning, pressing and bailing. The plant of company is located at Kadi – Mehsana (Gujarat). The main product includes cotton bales and cotton seeds with installed capacity of 60000 Metric Ton per annum as on March 31, 2017.

Brief Financials (Rs. crore)	FY16 (A)	FY17 (A)
Total operating income	68.76	91.52
PBILDT	1.92	1.73
PAT	0.01	0.05
Overall gearing (times)	2.25	1.17
Interest coverage (times)	1.65	1.48

A: Audited

Status of non-cooperation with previous CRA:

Not Applicable

Any other information:

Not Applicable

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

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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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.

Disclaimer

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn

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 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE BB-; Stable (21-Feb-18)	1)CARE B+; Stable (22-Mar-17)	-
2.	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE BB-; Stable (21-Feb-18)	1)CARE B+; Stable (22-Mar-17)	-

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CIN - L67190MH1993PLC071691