



**Press Release**  
**Ambica Cotseeds Limited**  
**November 12, 2024**  
**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.00	-	ACUITE A4   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	30.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

\* The issuer did not co-operate; based on best available information.

**Rating Rationale**

Acuite has downgraded the short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 30.00 Cr. bank facilities of Ambica Cotseeds Limited (ACL). The downgraded is on account of information risk. The rating is now flagged as "Issuer Not-Cooperating" on account of information risk and is based on the best available information.

**About the Company**

Based in Gujarat, Ambica Cotseeds Limited (ACL), was incorporated in 2011 by Mr. Bharatbhai Prahaladbhai Patel and family. ACL is engaged in the exports of cotton bales, cotton yarn and cotton waste. ACL exports to Pakistan, China, Bangladesh, Vietnam, Thailand, Taiwan, Japan, Europe and America. The remaining is sold in the domestic market in Gujarat. They have altered their structure to a sole agency (the agent hired is responsible to only sell products of ACL) in Pakistan and China. Goods are procured from Gujarat, Maharashtra, AP and Rajasthan and even from its group companies Vivekanand Industries and Vivekanand Cotspin LLP. The company is involved in 50% trading and 50% manufacturing.

**About the Group**

**Vivekanand Cotspin LLP**

Vivekanand Cotspin LLP (VCL) is a Gujarat-based entity established in 2015 and promoted by Mr. Bharatbhai Prahaladbhai Patel and family. The entity is engaged in the business of cotton ginning and spinning with an installed capacity of 400 bales per day with average capacity utilization of up to 320 bales per day and an installed capacity of 25000 spindles with average utilization of 98 percent.

**Vivekanand Industries**

Gujarat-based, Vivekanand Industries (VI) was established in 1983 by Mr. Bharatbhai Prahaladbhai Patel and family. The firm is engaged in cotton ginning, pressing and extraction of oil cakes. The company has 52 DR machines with an installed capacity to manufacture 500 bales per day with an average capacity utilization of 98 percent and 11 expellers with an installed capacity to produce 1100 bags of 60 kg/day of cotton oil cakes with an average capacity utilization of 98 percent.

**Unsupported Rating**

Not Applicable

**Non-cooperation by the issuer/borrower**

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuité’s policies.

#### **Limitation regarding information availability**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

#### **Rating Sensitivities**

No information provided by the issuer / available for Acuite to comment upon.

#### **Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon.

#### **Outlook**

Not Applicable

#### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	752.17	971.68
PAT	Rs. Cr.	1.54	2.16
PAT Margin	(%)	0.21	0.22
Total Debt/Tangible Net Worth	Times	0.98	1.59
PBDIT/Interest	Times	2.02	1.67

## Status of non-cooperation with previous CRA

Not Applicable

## Any other information

None

## Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entitie: <https://www.acuite.in/view-rating-criteria-61.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Aug 2023	PC/PCFC	Short Term	30.00	ACUITE A4+ (Reaffirmed)
31 May 2022	PC/PCFC	Short Term	20.00	ACUITE A4+ (Assigned)
	Proposed Long Term Bank Facility	Long Term	10.00	ACUITE BB+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
The Kalupur Commercial Cooperative Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A4   Downgraded   Issuer not co-operating* ( from ACUITE A4+ )

\* The issuer did not co-operate; based on best available information.

## \*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company name
1	Ambica Cotseeds Limited
2	Vivekanand Cotspin LLP
3	Vivekanand Industries

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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