January 31, 2024

Axora Resources Limited: Moved to Non-Cooperating category, Ratings downgraded based on best available information

Summary of rating action

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Cash Credit	50.00	50.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable) and Rating moved to 'Issuer Not Cooperating' Category.
Short Term – Non-Fund Based – Letter of Credit	13.00	13.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and Rating moved to 'Issuer Not Cooperating' Category.
Long Term / Short Term – Unallocated	27.00	27.00	[ICRA]B+(Stable)/[ICRA]A4 ISSUER NOT COOPERATING*; Ratings downgraded from [ICRA]BB+(Stable)/[ICRA]A4+ and Ratings moved to 'Issuer Not Cooperating' Category.
Total	**90.00**	**90.00**	

**Issuer did not cooperate; based on best available information.*
^Instrument details are provided in Annexure-1

Rationale

The ratings have been downgraded and moved to the "Issuer Not Cooperating" category because of lack of adequate information regarding Axora Resources Limited's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

As part of its process and in accordance with its rating agreement with Axora Resources Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: **Click here.** ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of Non-cooperation by a rated entity
Parent/Group support	None
Consolidation/Standalone	Standalone

About the company

Founded in 1994, Axora Resources Limited specialises in processing of lead, tin, antimony and other non-ferrous metals. It started its operations in FY2020 and has a manufacturing plant in Chittoor, Andhra Pradesh. The company is promoted by Mr. Vijendra Kedia, a commerce graduate having more than 25 years of experience in the non-ferrous metals Industry.

Key financial indicators (audited)

	FY2022	FY2023
Operating income (Rs. crore)	256.8	191.72
PAT (Rs. crore)	5.1	-2.6
OPBDIT/OI (%)	5.6%	3.7%
PAT/OI (%)	2.0%	-1.4%
Total outside liabilities/Tangible net worth (times)	1.1	1.3
Total debt/OPBDIT (times)	2.2	8.2
Interest coverage (times)	3.4	1.1

Source: Company data; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of March 31, 2023 (Rs. crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
					Jan 31, 2024	Oct 28, 2022	-	-
1	Fund-based - Cash credit	Long term	50.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable)	-	-
2	Non-fund Based - Letter of Credit	Short term	13.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4+	-	-
3	Unallocated	Long term/ Short Term	27.00	-	[ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB+(Stable)/ [ICRA]A4+	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term Fund-based – Cash Credit	Simple
Short-term Non-fund Based – Letter of Credit	Very Simple
Long-term/ Short-term – Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: Click Here

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	**Cash Credit**	NA	NA	NA	50.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	**Letter of Credit**	NA	NA	NA	13.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	**Unallocated**	NA	NA	NA	27.00	[ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING

***Source**: Company*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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