

Announcement: Axita Cotton Announced Share Buyback at Rs.56 and Achieves Strong Financial Performance



Mumbai, Maharashtra May 24, 2023 ([Issuewire.com](https://www.issuewire.com)) - Axita Cotton, one of India's leading raw cotton manufacturers and exporters, experienced a significant boost in its stock price during the recent trading session. This surge was driven by the news that the company is considering a buyback of equity shares. As a result, the stock rallied by 5%, hitting the upper circuit limit.

To formalize this proposal, the board of Axita Cotton was scheduled to convene on Tuesday, May 23, 2023, and the company has announced a whopping Buyback of Rs.56 Per share which is almost Double then its current Market Price traded at Rs.27.50. The board carefully evaluated the feasibility of the buyback in accordance with the provisions outlined in the Companies Act, 2013, and the Securities and Exchange Board of India (SEBI) (Buyback of Securities) Regulations, 2018, while maintaining full compliance with all relevant regulations throughout this process. Axita Cotton has shown a good compounded profit growth of 265% for the past 3 years. They've also been maintaining healthy ROE of 38% over the past 3 years.

Following the announcement, shares of Axis Cotton surged by 5%, reaching a price of Rs 27.30 at 9:55 am, which triggered the buyer's circuit limit. With this upward momentum, Axita Cotton now commands a total market capitalization of Rs 550 crore. Notably, the stock had settled at approximately 50% over the past year. Axita Cotton Ltd. declared a dividend on Sept. 19, 2022. They had given Bonus issue of share twice in last 4 Years. The company is debt-free and profitability is increasing on a Y-o-Y basis. No shares of Axita Cotton are pledged.

In terms of financial performance, gross margins are improving and Axita Cotton has delivered robust results. For the quarter ending on March 31, 2023, the company reported a net profit after tax of Rs 5.6 crore, with revenue from operations amounting to Rs 125.88 crore. Furthermore, for the entire financial year 2022-23, Axita Cotton achieved a net profit after tax of Rs 17.09 crore, accompanied by revenue from operations of Rs 552.6 crore.

Moving forward, Axita Cotton remains dedicated to upholding our strong performance, ensuring compliance with regulatory requirements, and creating value for its stakeholders. Axita Cotton has a high promoter holding of 69.65%. The cash conversion cycle is of 24 days (in the Financial year 2022-2023), a ROCE of 48.7 % (in the Financial year 2022-2023), and high cash liquidity.

Also, in compliance with Regulation 42(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 9(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, the Company has fixed, Friday, June 02, 2023, as the record date for a buyback. For more info on Axita Cotton, visit their website: <https://axitacotton.com/>

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Source : Axita Cotton Limited

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