



SMERA RATINGS LIMITED

Basant Texfab Private Limited (Basant)**Rating
Rationale****October 16, 2014**

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	1.00	SMERA D (downgraded from SMERA B+/Stable)
Term Loan	11.25	SMERA D (downgraded from SMERA B+/Stable)
Letter of Guarantee	0.30	SMERA D (downgraded from SMERA A4)

SMERA has downgraded its ratings on the bank facilities of Basant Texfab Private Limited (Basant) to '**SMERA D' (read as SMERA D)**, from 'SMERA B+/Stable/SMERA A4'. The downgrade primarily reflects delays in debt servicing by the company. The rating factors in risks related to the company's working capital-intensive operations in an intensely competitive segment of the textile industry.

About the company

Basant (formerly known as Basant Share & Stock Broking Private Limited) is promoted by Mr. Pawankumar Jalan, Mr. Amit Bindal and Mr. Navin Saraogi. The company has setup a weaving unit in Ahmedabad (Gujarat) with 32 shuttleless weaving looms for manufacturing cotton fabric. Basant started commercial production in June 2013.

For FY2013-14 (refers to financial year, April 01 to March 31), Basant reported profit after tax of Rs.0.41 crore on net sales of Rs.33.94 crore, as compared with profit after tax of Rs.0.03 crore on net sales of Rs.4.87 crore in FY2012-13. Basant's net worth stood at Rs.3.46 crore as on March 31, 2014, as compared with Rs.1.75 crore a year earlier.

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