

**November 28, 2014**

Facility	Amount (Rs. Crore)	Rating
Term Loan	8.80	SMERA C (Assigned)

SMERA has assigned a rating of '**SMERA C**' (read as **SMERA C**) to the Rs.8.80 crore bank facility of V. Abinayaa (VA). The rating is mainly constrained by the firm's weak financial profile. The rating is also constrained by the firm's exposure to project execution risk. The rating notes that the firm's management has limited experience in the warehousing business. However, the rating draws comfort from the investment subsidy benefit available to the firm.

VA, established in 2013, is a Tamil Nadu-based firm established to provide scientific warehousing facilities for agricultural products. VA's weak financial risk profile is marked by high debt-equity ratio of 3.32 times as on August 31, 2014. The firm's debt was restructured post delays in project completion. VA is exposed to project execution risk given the nascent stage of construction of the warehouse. The firm is likely to commence commercial operations in FY2015-16. VA's promoters have limited experience in the warehousing business.

VA is eligible for a subsidy of Rs.3.00 crore under the Rural Godown Scheme.

About the firm

VA, established in 2013, is a Tamil Nadu-based firm promoted by Ms. V. Abinayaa. VA is established to provide warehousing services for agricultural products. The firm is setting up a warehouse in Udumalpet, Tamil Nadu. The total cost of the project is Rs.11.45 crore, which is funded through bank borrowings of Rs.8.80 crore and promoter's funds of Rs.2.65 crore. VA is entitled to receive investment subsidy of Rs.3.00 crore under the Rural Godown Scheme. Ms. V. Abinayaa, proprietor of VA, is an agriculturalist with around 10 years of experience in the agriculture sector.

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