

Alpha Marine

Instrument	Amount in Rs crore	Rating Action
Fund based limits	12.00	[ICRA]B+ assigned
Total	12.00	

ICRA has assigned a long-term rating of [ICRA]B+ (pronounced ICRA B plus) to Rs 12.00 crore¹ fund based facilities of Alpha Marine (AM)¹.

The assigned rating is constrained by project implementation risk with the firm yet to incur Rs. 11.00 crore of the total project cost of Rs 19.99 crore; and significant funding risk with pending cost to be funded by Rs.4.00 crore of partner's capital and remaining Rs 7.00 crore from undrawn portion of term loan. The rating is further constrained by inherent risks associated with the sea food industry like susceptibility to disease, climate change risk, vulnerability to regulations proposed by importing nations and export benefits provided by the Indian government and the susceptibility of earnings to raw material prices and exchange rate volatility as well as risks of capital withdrawals that are inherent in a partnership firm. The rating, however positively factors in more than two decade of partner's experience in sea food industry and established relationships with farmers ensuring raw material availability to some extent. The ratings also consider advance stage of construction with ~80% of the civil work completed as on February 29, 2016 and expected commercial operation date (COD) of the project is from May 2016.

Going forward, ability of the firm to execute the project without time and cost overrun and generation of sufficient cash accruals for term loan repayments by achieving sufficient capacity utilisation would be key rating sensitivities from credit perspective.

Firm Profile

Founded in 2015, as a partnership firm, Alpha Marine (AM) is into business of processing and export of cultured and sea caught shrimp. The firm is promoted and managed by Mr. Dudala Sudhakar, Mr. Anshuman Chand, Mr. K subba Rajendra Bhatt and D. Ankineedu Sudhakar. Each of the promoters have more than 20 years of experience in the shrimp processing and export business. The firm is setting up a shrimp processing unit with a capacity of 12 tons per day (TPD) at Nellore.

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¹ 100 lakh = 1 crore = 10 million

¹ For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications



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