RATING RATIONALE

13 Aug 2026

Sri Lakshmi Srinivasa Modern Rice Mill

Brickwork Ratings has reaffirmed the long-term rating of BWR BB/Stable and the short-term rating of BWR A4+ for bank loan facilities amounting to Rs. 0.50 Crores, and assigned a long-term rating of BWR BB/Stable and a short-term rating of BWR A4+ to the bank loan facilities amounting to Rs. 108.95 Crores of Sri Lakshmi Srinivasa Modern Rice Mill, aggregating to Rs. 109.45 Crores.

Particulars:

Facilities**	Amount (Rs. Crs) Previous	Amount (Rs. Crs) Present	Tenure	Rating* Previous (01-Jul-2025)	Rating* Present	Regulator
Fund Based						
Pre-shipment Credit(Sublimit of CC)-Sanctioned	(12.00)	**0.00**	Short-Term	BWR A4+/ Assignment	**Withdrawal**	RBI
Post Shipment Credit (Sublimit of CC)-Sanctioned	(12.00)	**0.00**				
Foreign Bill Discounting (Sub-limit of CC)-Sanctioned	(12.00)	**0.00**				
Cash Credit-Sanctioned	80.00	**0.50**	Long-Term	BWR BB/ Stable Assignment	**BWR BB/ Stable/ Reaffirmation**	RBI
Term Loan -Sanctioned	0.00	**0.44**		-	**BWR BB/ Stable/ Assignment**	RBI
Cash Credit -Sanctioned	0.00	**99.00**				
Seasonal Cash Credit	0.00	**9.50**				
Sub-Limit (WCDL (Sublimit of CC)) -Sanctioned	0.00	**(60.00)**	Short-Term		**BWR A4+/ Assignment**	RBI
Sub-Limit (Pre-Shipment (Sublimit of CC)) -Sanctioned	0.00	**(15.00)**				
Sub-Limit (Post-Shipment (Sublimit of CC)) -Sanctioned	0.00	**(15.00)**				
Sub Total	*80.00*	***109.44***				
Non-Fund Based						
Guarantor resources (Sublimit of CC)-Sanctioned	(10.00)	**0.00**	Short-Term	BWR A4+/ Assignment	**Withdrawal**	RBI
Bank Guarantee (Sublimit of CC)-Sanctioned	(10.00)	**(0.50)**		BWR A4+/ Assignment	**BWR A4+/ Reaffirmation**	RBI
Bank Guarantee -Sanctioned	0.00	**0.01**		-	**BWR A4+/ Assignment**	
Sub-Limit (BG (Sublimit of CC)) -Sanctioned	0.00	**(10.00)**				
Sub-Limit (CEL (FW limit of Rs. 17.60 Crs)) -Sanctioned	0.00	**(0.35)**				RBI
Sub Total	*0.00*	***0.01***				
Grand Total	**80.00**	**109.45**	**Rs. One Hundred Nine Crore & Forty-Five Lakh Only.**			

Note:
1. **Please refer to BWR website www.brickworkratings.comfor the definition of the ratings**
2. **Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated**

RATING ACTION / OUTLOOK

Brickwork Ratings has reaffirmed the long-term rating of BWR BB/Stable and the short-term rating of BWR A4+ for bank loan facilities amounting to Rs. 0.50 Crores, and assigned a long-term rating of BWR BB/Stable and a short-term rating of BWR A4+ to the bank loan facilities amounting to Rs. 108.95 Crores of Sri Lakshmi Srinivasa Modern Rice Mill, aggregating to Rs. 109.45 Crores.
The rating factors in the firm's established market position supported by extensive promoter experience, brand visibility of flagship products "Sameera & Akshaya," and an expanding capital base from steady profit retention. However, the rating remains constrained by vulnerability to paddy procurement risks, raw material price volatility, high seasonal working capital intensity, and temporary operational disruptions caused by the recent shift in primary banking from HDFC Bank to Union Bank of India. Additionally, following the shift in primary banking, certain HDFC limits were downscaled, and select sub-limits were canceled as per HDFC's latest sanction letter. Moving forward, the firm's ability to scale operations while strengthening its overall financial risk profile and liquidity will remain the key rating drivers.

The rating outlook has been assigned as "Stable" as BWR believes that Sri Lakshmi Srinivasa Modern Rice Mill's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case revenue and profitability margins show sustained improvement alongside comfortable liquidity. The rating outlook may be revised to 'Negative' if the financial risk profile or debt coverage metrics deteriorate.

KEY COVENANTS OF THE FACILITY RATED

- The terms of sanction include covenants normally stipulated for such facilities.
- No withdrawal of partners' capital during the tenure of the bank facilities. Profits shall be retained in the business.

KEY RATING DRIVERS

- **Credit Strengths-:**
  1. Established business scale with a wide distribution network: The firm has an established operational track record since 2004, achieving a revenue base of Rs. 275.53 crore in FY26 provisional. It is supported by an extensive customer network of over 4,000 clients, two established brands (Akshaya and Sameera), and additional revenue streams from custom milling fees and rice bran oil premium sales.
  2. Regular partner capital support and enhanced bank limits: The partners regularly support business needs with interest-free unsecured loans and plan to infuse Rs. 4 to 5 crore in fresh capital this year. Financial flexibility is further backed by a newly sanctioned Rs. 99 crore cash credit limit from Union Bank of India to fund peak procurement seasons.

- **Credit Risks-:**
    1. Leveraged capital structure and thin debt coverage metrics: The firm's capital structure remains leveraged, reflected by a high total debt to tangible net worth ratio of 3.07 times in FY26 provisional (expected to reach 3.69 times in FY27). Consequently, debt coverage indicators remain modest, with an interest service coverage ratio of 1.29 times and a debt service coverage ratio of 1.04 times in FY26 provisional.

    2. Vulnerability to agro-climatic risks and thin operating margins: Profitability remains thin, with operating margins at 2.47 percent in FY26 provisional. Operations are inherently exposed to agricultural risks, raw material price fluctuations, government minimum support price changes, and geopolitical issues that have placed direct export plans on hold.

ANALYTICAL APPROACH - Standalone
BWR has taken a standalone approach for the bank loan rating review of the entity. BWR has applied its rating methodology as detailed in the rating criteria.

RATING SENSITIVITIES
Going forward, the company's ability to improve its revenue profile and strengthen its financial risk profile will remain the key rating sensitivities.

Positive:
- Operating margin above 2.50% over the medium term, driving higher cash accruals and enhanced coverage indicators.
- Maintaining the current ratio above 1.15x

Negative:
- Decline in operating margin below 2%, leading to a deterioration in overall profitability.
- Decline in the current ratio below unity, leading to a weakening of the overall liquidity position.

LIQUIDITY INDICATORS - Adequate
Sri Lakshmi Srinivasa Modern Rice Mill maintains an adequate liquidity position, supported by sufficient cash accrual generation relative to its debt repayment obligations and a comfortable cushion in working capital limits. The firm generated cash accruals of Rs. 2.57 crore in FY25, which stood at Rs. 2.32 crore in FY26 UA, remaining comfortably sufficient to meet the current portion of long-term debt obligations of Rs. 1.14 crore due in FY26 UA. Consequently, debt coverage metrics remained stable, with the debt service coverage ratio and interest service coverage ratio standing at 1.00 times and 1.03 times, respectively, in FY25, compared to 1.04 times and 1.29 times, respectively, in FY26 UA.

Cash and bank balances improved from Rs. 0.50 crore as on 31 March 2025 to Rs. 1.22 crore as on 31 March 2026 UA. The current ratio remained stable at 1.32 times in FY25 and 1.30 times in FY26 UA. Liquidity is further backed by moderate working capital limit utilization, averaging around 70% over the past twelve months with Union Bank of India and HDFC Bank.

ABOUT THE ENTITY

Macro Economic Indicator	Sector	Industry	Basic Industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Other Agricultural Products

Sri Lakshmi Srinivasa Modern Rice Mill (SLSMRM) was established as a partnership concern in 2004 and is based in, Vadisaleru, Andhra Pradesh. The firm is actively engaged in the milling and processing of paddy, with a continuous focus on modernizing its milling infrastructure to optimize production. SLSMRM is managed by its five partners: Sri J Sridhar, Sri J Satyanarayana, Smt J Lakshmi, Smt J Sushma, and Smt R Sridevi. The firm enjoys an established market presence, retailing its processed rice products under the well-known in-house brand names Sameera and Akshaya.

ESG Profile

Environmental: Environmental risks in trading companies are primarily related to energy use, emissions from logistics and operations, waste generation, water consumption, and compliance with environmental regulations. Key disclosures include energy usage, waste handling and recycling practices, and any past violations or penalties.

Social: Social factors focus on labour practices, workforce welfare, diversity and inclusion, training and development, and community engagement. Metrics include workforce composition, employee safety and training programs, adherence to labour laws, and initiatives supporting social equity and employee growth.

Governance: Governance assessment emphasizes board structure, independence, and expertise, risk management and compliance frameworks with trading regulations.

KEY FINANCIAL INDICATORS

Key Parameters	Units	FY 23 - 24 (Audited - Annual)	FY 24 - 25 (Audited - Annual)	FY 25 - 26 (Provisional - Annual)
Operating Revenue	Rs. Crs.	324.13	269.62	275.53
OPBDIT	Rs. Crs.	5.76	7.17	6.82
PAT	Rs. Crs.	0.51	0.52	0.85
Tangible Net Worth	Rs. Crs.	23.87	23.96	25.54
Total Debt / Tangible Net Worth	Times	3.65	3.39	3.07
Current Ratio	Times	1.33	1.32	1.3

STATUS OFNON-COOPERATION WITHPREVIOUS CRA

CRISIL, in its press release dated December 22, 2025, continued the rating in the Issuer Not Cooperating (INC) category based on the best available information.

ANY OTHER INFORMATION
Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

<table>
<tr><th>Facilities</th><th>Current Rating (2026)</th><th></th><th></th><th colspan="2">2025</th><th colspan="2">2025</th><th colspan="2">2024</th></tr>
<tr><th>Type</th><th>Tenure</th><th>Amount (Rs. Crs.)</th><th>Rating</th><th>Date</th><th>Rating</th><th>Date</th><th>Rating</th><th>Date</th><th>Rating</th></tr>
<tr><td rowspan="2">Fund Based</td><td rowspan="2">LT</td><td>0.50</td><td>BWR BB / Stable (Reaffirmation)</td><td rowspan="8">01 Jul 2025</td><td>Withdrawal</td><td rowspan="8">03Mar 2025</td><td rowspan="2">BWR C (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)</td><td rowspan="8">05Mar2024</td><td rowspan="2">BWR C (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)</td></tr>
<tr><td>108.94</td><td>BWR BB / Stable (Assignment)</td><td>BWR BB /Stable Assignment</td></tr>
<tr><td rowspan="2">FB SubLimit</td><td rowspan="2">ST</td><td>0.00</td><td>Withdrawal</td><td>BWR A4+ Assignment</td><td>NA</td><td>NA</td></tr>
<tr><td>(90.00)</td><td>BWR A4+ (Assignment)</td><td>NA</td><td>NA</td><td>NA</td></tr>
<tr><td>Non Fund Based</td><td>ST</td><td>0.01</td><td>BWR A4+ (Assignment)</td><td>NA</td><td>NA</td><td>NA</td></tr>
<tr><td rowspan="3">NFB SubLimit</td><td rowspan="3">ST</td><td>0.00</td><td>Withdrawal</td><td rowspan="3">BWR A4+ Assignment</td><td rowspan="3">NA</td><td rowspan="3">NA</td></tr>
<tr><td>(0.50)</td><td>BWR A4+ (Reaffirmation)</td></tr>
<tr><td>(10.35)</td><td>BWR A4+ (Assignment)</td></tr>
<tr><td>Grand Total</td><td></td><td>109.45</td><td colspan="7">(Rupees One Hundred Nine Crores and Forty-Five Lakhs Only)</td></tr>
</table>

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to Financial Ratios
- BWR Withdrawal Policy
- Short Term Debt
- Manufacturing Company

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Sri Lakshmi Srinivasa Modern Rice Mill

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Name of the Bank	Facility	Tenure	Amount (In Rs. Crs.)	*Complexity of the Instrument
Union Bank of India	Cash Credit - Sanctioned	Long Term	99.00	Simple##
	WCDL (Sublimit of CC) - Sanctioned	Long Term	(60.00)	Simple##
	Pre-Shipment (Sublimit of CC) - Sanctioned	Short Term	(15.00)	Simple##
	Post-Shipment (Sublimit of CC) - Sanctioned	Short Term	(15.00)	Simple##
	BG (Sublimit of CC) - Sanctioned	Long Term	(10.00)	Simple##
	CEL (FW limit of Rs. 17.60 Crs) - Sanctioned	Short Term	(0.35)	Simple##
	Term Loan - Outstanding	Long Term	0.44	Simple##
HDFC Bank	Bank Guarantee - Sanctioned	Short-Term	0.01	Simple##
	Seasonal Cash Credit - Sanctioned	Long Term	9.50	Simple##
	Cash Credit - Sanctioned	Long Term	0.50	Simple##
	BG (Sublimit of CC) - Sanctioned	Short-Term	(0.50)	Simple##
Total	**Rupees One Hundred Nine Crore and Forty-Five Lakh Only.**		**109.45**	

***For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf**

ANNEXURE II

INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS

Nil

ANNEXURE III

List of entities consolidated

Nil

BRICKWORK RATINGS

ANNEXURE IV

List of instruments and names of regulators of the instruments

A.	Rating activities	
Sr. No.	Instrument/activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brickwork Ratings India Private Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during the regulatory regime prior to the introduction of the SEBI CRA Circular dated Feb 10, 2026, and the investor side regulators have accordingly been included.
$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.
Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Other Activities	Regulator of the Instruments	B
Monitoring Agencies	SEBI	1
Research activities incidental to rating such as research for Economy, Industries and Companies *	NA	2

***permitted by SEBI vide SEBI Master Circular for CRAs**

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Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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