

February 19, 2026

Mahadevi Agro Mills Private Limited: Long-term Rating upgraded; Short-term Rating reaffirmed; rated amount enhanced; removed from Issuer Not Cooperating Category

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based facilities – Term loan	63.3	63.3	[ICRA]BB- (Stable); rating upgraded from [ICRA]B+ (Stable) and removed from Issuer Not Cooperating category
Long-term – Fund-based facilities – Cash credit	4.5	34.5	[ICRA]BB- (Stable); rating upgraded from [ICRA]B+ (Stable)/Assigned for enhanced amount and removed from Issuer Not Cooperating category
Short-term – Bank guarantee	4.5	4.5	[ICRA]A4; reaffirmed and removed from Issuer Not Cooperating category
Long-term/Short term – Unallocated	0.7	0.7	[ICRA]BB- (Stable)/ [ICRA]A4; Long-term rating upgraded from [ICRA]B+ (Stable)/ Short-term rating reaffirmed and removed from Issuer Not Cooperating category
Total	73.0	103.0	

*Instrument details are provided in Annexure I

Rationale

The ratings factor in the extensive experience of Mahadevi Agro Mills Private Limited's (MAMPL) promoters, who have over four decades of experience in the rice milling industry, as well as the favourable location of the project in proximity to paddy cultivating regions in Telangana. The company undertook a project to set up two rice units which were expected to commence operations by October 2025. A 320 tonnes per day (TPD) raw rice unit commenced operations in September 2025 in line with the initial schedule. However, construction of Unit 2 with a milling capacity of 400 TPD for parboiled rice has been delayed due to unseasonal rains. The company received an extension of the date of commencement of commercial operations (DCCO) from its lenders for Unit 2 and accordingly, moratorium on a part of the debt (for Unit 2) has been extended till October 2026. Total cost of the project is Rs. 133.01 crore, funded through a mix of debt, promoter contribution (equity and unsecured loans) and a government subsidy grant of Rs. 20 crore. As of December 2025, the company has incurred around Rs. 115.6 crore of the total project cost. Timely execution of the remaining work for Unit 2 and the ramp-up of overall operations continue to be key monitorables. The ratings also take comfort from the management's commitment to extend timely financial support, including infusion of funds in case of any cash flow shortfall, for meeting debt-servicing obligations. The ratings continue to be constrained by the competitive nature of the rice milling industry and the company's exposure to agro-climatic and regulatory risks.

The Stable outlook on the rating reflects ICRA's opinion that MAMPL would be able to complete the remaining unit construction in a timely manner and will ramp up the operations successfully.

Key rating drivers and their description

Credit strengths

Experienced management and promoter group – The company's promoters have been in the rice mill business for over four decades, gaining significant expertise and building healthy relationships with suppliers and customers. The Chairman, Mr. Nagendra Gampa, is the President of the Telangana Rice Mill Association.

Proximity to rice cultivating areas – The rice mills are located in Wargal, Siddipet district of Telangana, which is in proximity to paddy cultivation areas, which is expected to support easy access to paddy.

Credit challenges

Exposed to execution and ramp-up risks – The company started construction of two rice mills in FY2021 at an estimated cost of Rs. 133.01 crore. Both the rice mills were scheduled to commence operations in October 2025. However, while Unit 1 with capacity of 320 TPD of raw rice became operational in September 2025, there has been a delay in completion of Unit 2, which would have capacity of 400TPD for parboiled rice. The company received DCCO extension till June 2026 for Unit 2, and accordingly, the moratorium period has been extended on a part of the loan till September 2026. As of December 2025, it has incurred around Rs. 115.6 crore towards the project. Timely completion of the construction of Unit 2 and successful scale-up of operations at both units remain critical.

Large debt-funded capital expenditure (capex) – As a sizeable part of the project cost is funded through debt; hence, successful ramp-up of the operations and healthy earnings continue to be crucial.

Exposed to intense competition in the industry – The rice milling industry is fragmented, with many players present, limiting the price-setting capability of the industry players and reducing profitability to some extent. Rice millers are also exposed to agro-climatic and regulatory risks.

Liquidity position: Stretched

The liquidity of the company is stretched. MAMPL started construction of two rice mills in FY2021 at an estimated capex of Rs.133.01 crore, funded through Rs. 63.3 crore of debt, Rs. 20.0 crore of capital subsidy and Rs. 49.7 crore of promoters' contribution. It has already incurred Rs. 115.6 crore till December 31, 2025 having drawn Rs. 50-53 crore of the sanctioned term loan of Rs. 63.3 crore. It is expected to incur further capex of Rs. 30-35 crore in the next 12 months, which will be funded through drawdown of the rest of the loan (Rs. 20-22 crore) and the rest through promoters' contribution and capital subsidy. While the project debt has been tied up, timely completion of the project without any cost overrun remains crucial.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the company completes the project without any further time or cost overruns and there is a healthy ramp-up of operations, leading to more comfortable earnings and improved coverage metrics.

Negative factors – Pressure on MAMPL's ratings could arise if any significant delay in project completion or any major cost overrun impacts the company's liquidity position or its debt metrics or in the absence of timely promoter support in case of cash flow shortfall for debt servicing.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rice Mills
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Mahadevi Agro Mills Private Limited (MAMPL), incorporated on July 27, 2020, was established to set up two rice mills in Wargal, Siddipet district, Telangana, where the government of Telangana has developed a dedicated industrial park for the food-processing industry. Unit 1 with milling capacity of 320 TPD for raw rice commenced operations in September 2025 and Unit 2 with 400 TPD milling capacity for parboiled rice is expected to commence operations in H1 FY2027. The promoters have been in the rice mill business for the past 40-50 years with shareholding in 7-8 rice mills. The chairman of the company, Mr. Nagendra Gampa, is the president of Telangana Rice Mill Association.

Key financial indicators (audited)

NA as it's a project stage entity.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years							
Instrument	Type	Amount rated (Rs. crore)	Feb-19-2026	FY2026		Date	Rating	Date	Rating	Date	Rating
				Date	Rating						
Term loan	Long term	63.3	[ICRA]BB-(Stable)	Dec-29-2025	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	Sep-03-2024	[ICRA]BB-(Stable)	-	-	-	-
Cash credit	Long term	34.5	[ICRA]BB-(Stable)	Dec-29-2025	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	Sep-03-2024	[ICRA]BB-(Stable)	-	-	-	-
Bank guarantee	Short term	4.5	[ICRA]A4	Dec-29-2025	[ICRA]A4; ISSUER NOT COOPERATING	Sep-03-2024	[ICRA]A4	-	-	-	-
Unallocated	Long term/ Short term	0.7	[ICRA]BB-(Stable)/ [ICRA]A4	Dec-29-2025	[ICRA]B+ (Stable)/[ICRA]A4; ISSUER NOT COOPERATING	Sep-03-2024	[ICRA]BB-(Stable)/ [ICRA]A4	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based facilities – Term loan	Simple
Long-term – Fund-based facilities – Cash credit	Simple
Short-term – Bank guarantee	Simple
Long-term/ Short term- Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	May 2023	NA	October 2031	63.3	[ICRA]BB- (Stable)
NA	Cash credit	NA	NA	NA	34.5	[ICRA]BB- (Stable)
NA	Bank guarantee	NA	NA	NA	4.5	[ICRA]A4
NA	Unallocated	NA	NA	NA	0.7	[ICRA]BB- (Stable)/ [ICRA]A4

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not applicable

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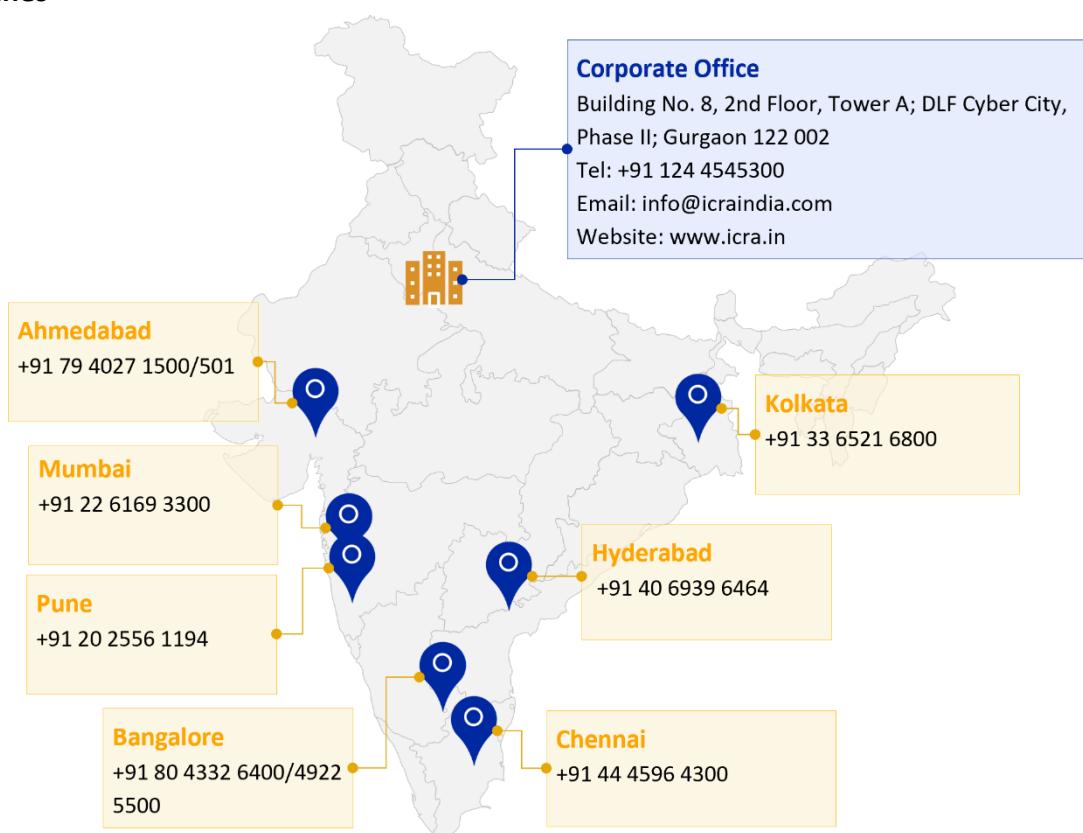
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