

Kovilpatti Lakshmi Roller Flour Mills Limited

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REF/BSE/2026-27/

17th April 2026

BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001.

Dear Sirs,

Scrip code: 507598

Sub: Intimation regarding revision in the credit rating by CRISIL Ratings Limited - Regulation 30 of the SEBI (LODR) Regulations, 2015 ("Listing Regulations")

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to intimate you the following revised (downgraded) credit rating received from CRISIL Ratings Limited vide its website publication dated 16th April 2026, as per the rationale attached.

Sl. No	Type of bank facility	Amount (Rs.in crores)	Rating (existing)	Rating assigned (new)	Reason for downward revision in rating
1	Cash credit	25.00	New facilities	CRISIL BBB- /Stable	The Rating Agency has stated in their Rationale that downward revision reflects the moderation in business risk profile of the Company due to decline in operating margins and revenue estimated in fiscal 2026, as attached herewith. However, the Company would like to state that the Company's operations are normal and the Company is continuing its focus on strengthening its financial position.
2	Cash credit/ Overdraft facility	34.98	CRISIL BBB/Negative	CRISIL BBB- /Stable	
3	Cash term loan	10.46	CRISIL BBB/Negative	CRISIL BBB - /Stable	
4	Cash term loan	0.54	CRISIL BBB/Negative	CRISIL BBB - /Stable	
5	Cash term loan	1.13	CRISIL BBB/Negative	CRISIL BBB - /Stable	
6	Cash term loan	0.40	CRISIL BBB/Negative	CRISIL BBB - /Stable	
7	Long term loan	12.64	CRISIL BBB/Negative	CRISIL BBB - /Stable	
8	Proposed term loan	5.85	CRISIL BBB/Negative	CRISIL BBB - /Stable	
Total		91.00			

Kindly take the above information on record.

Thanking you,

Yours faithfully,

For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu

Company Secretary and Compliance Officer

Membership No: FCS 9142

Encl: Rating rationale

Rating Rationale

April 16, 2026 | Mumbai

Kovilpatti Lakshmi Roller Flour Mills Limited

Rating downgraded to 'Crisil BBB-/Stable'

Rating Action

Total Bank Loan Facilities Rated	Rs.91 Crore
Long Term Rating	Crisil BBB-/Stable (Downgraded from 'Crisil BBB/Negative')

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has downgraded its rating on the long-term bank facilities of Kovilpatti Lakshmi Roller Flour Mills Limited (KLRFML) to '**Crisil BBB-/Stable**' from '**Crisil BBB/Negative**'.

The downgrade reflects the moderation in business risk profile of KLRFML due to decline in operating margins and revenue estimated in fiscal 2026 against previous expectations. Company has reported revenue of Rs 311 crore, during 9 months of fiscal 2026. Improvement in scale and operating margin will be monitored over the medium term. Additionally, with ongoing capex for expansion of production capacity and future capex for hotel construction, the financial risk profile is expected to stay moderate.

The rating continues to reflect KLRFML's extensive industry experience of the promoters, moderate working capital cycle. These strengths are partially offset by its susceptibility to climatic conditions, risks associated with debt funded capex plans and susceptibility of operating margin to volatility in raw material prices.

Analytical Approach

Crisil Ratings has evaluated the standalone business and financial risk profiles of KLRFML.

Key Rating Drivers - Strengths

- **Extensive industry experience of the promoters:** The promoters have experience of over 40 years in the agriculture and engineering division industry. This has given them an understanding of the dynamics of the market and enabled them to establish relationships with suppliers and customers.
- **Moderate working capital cycle:** Gross current assets are at 70-82 days over the three fiscals ended March 31, 2025. Its moderate working capital management is reflected in its debtors and inventory days of 19 and 46 as on fiscal 2025.

Key Rating Drivers - Weaknesses

- **Susceptibility of operating margin to volatility in raw material prices:** In the engineering division, the prices of iron, steel, etc key raw material are volatile. Also, the crop yield of agricultural commodities depends on adequate and favourable climatic conditions. Thus, KLRFML is exposed to the risk of limited availability of its key raw material because of unfavourable climatic conditions. Also, production may be impacted by pests or crop infection, leading to higher unpredictability in production and pricing of agricultural commodities and derived products. The margins for the company have moderated over the last two quarters and have been majorly impacted due to the increased price of raw material price in the food division. Improvement in margins both in engineering and food division shall remain a key rating monitorable, going forward.
- **Risks associated with Capex Plans & moderation of financial risk profile:** The company is currently undertaking capital expenditure (capex) for expansion of current production facility along with future plans of construction of Hotel. The gearing and TOL/ANW is estimated to be around 1 and 1.5 times for FY26 and are expected to increase further owing to debt which will be undertaken to fund the capex. The Debt Protection metrics indicated by operating profit coverage and net cash accruals to adjusted debt are estimated to be around 2.1 and 0.1 times for FY26. Timely completion of capex and sustenance of financial risk profile will remain a key monitorable

Liquidity Adequate

Bank limit utilisation is moderate around 82 percent for the past twelve months ended Feb 2026. Cash accrual are expected to be over Rs 12-16 crore which are sufficient against term debt obligation of Rs 9-11 crore over the medium term.

Outlook Stable

Crisil Ratings believes that the improvement in operating margin will be key monitorable in the medium term.

Rating sensitivity factors

Upward Factors:

- Improvement in topline and sustenance in operating margins to over 6-7 percent leading to higher than-expected net cash accruals
- Improvement in financial risk profile and debt protection metrics

Downward Factors:

- Decline in scale of operations or margins to lower than 4 percent leading to lower-than-expected cash accruals
- Any large debt-funded capital expenditure or substantial increase in its working capital requirements thus weakening the company's liquidity & financial profile

About the Company

KLRFML was incorporated in 1961. The company operates in two segments: the engineering division and foods division. Foods division offers maida, sooji, atta and wheat products under Kuthuvilakku, Kera and Alamaram brands. The engineering division produces ferrous castings and sheet metal designs which caters to a range of clients in the automotive, capital equipment, pumps & valves and general engineering sectors. It has two manufacturing facilities located at Tamil Nadu and is promoted by Mr. Suresh Jagannathan and family.

Key Financial Indicators

As on / for the period ended March 31		2025	2024
Operating income	Rs crore	426.59	410.91
Reported profit after tax	Rs crore	1.05	8.22
PAT margins	%	0.27	1.90
Adjusted Debt/Adjusted Net worth	Times	1.03	1.35
Interest coverage	Times	1.70	2.45

Any other information: Not applicable

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure: List of instruments and names of regulators of the instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

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)*	SEBI
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 NBFC's, Banks, 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	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/Preference share (all securities))	MCA
24	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), Crisil Ratings 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 regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

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.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Cash Credit	NA	NA	NA	25.00	NA	Crisil BBB-/Stable
NA	Cash Credit / Overdraft facility	NA	NA	NA	34.98	NA	Crisil BBB-/Stable
NA	Cash Term Loan	NA	NA	07-Jun-28	10.46	NA	Crisil BBB-/Stable
NA	Cash Term Loan	NA	NA	07-Jul-27	0.54	NA	Crisil BBB-/Stable
NA	Cash Term Loan	NA	NA	07-Oct-29	1.13	NA	Crisil BBB-/Stable
NA	Cash Term Loan	NA	NA	07-Nov-29	0.40	NA	Crisil BBB-/Stable
NA	Long Term Loan	NA	NA	30-Sep-28	12.64	NA	Crisil BBB-/Stable
NA	Proposed Term Loan	NA	NA	NA	5.85	NA	Crisil BBB-/Stable

Annexure - Rating History for last 3 Years

Instrument	Current			2026 (History)		2025		2024		2023		Start of 2023
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	91.0	Crisil BBB-/Stable	--	--	17-07-25	Crisil BBB/Negative / Crisil A3+	15-11-24	Crisil BBB/Negative / Crisil A3+	25-10-23	Crisil BBB/Stable / Crisil A3+	Crisil BBB/Stable / Crisil A3+
			--	--	--			31-05-24	Crisil BBB/Stable / Crisil A3+		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	25	Bank of Baroda	Crisil BBB-/Stable
Cash Credit / Overdraft facility	34.98	HDFC Bank Limited	Crisil BBB-/Stable
Cash Term Loan	10.46	HDFC Bank Limited	Crisil BBB-/Stable

Cash Term Loan	0.54	HDFC Bank Limited	Crisil BBB-/Stable
Cash Term Loan	1.13	HDFC Bank Limited	Crisil BBB-/Stable
Cash Term Loan	0.4	HDFC Bank Limited	Crisil BBB-/Stable
Long Term Loan	12.64	HDFC Bank Limited	Crisil BBB-/Stable
Proposed Term Loan	5.85	Not Applicable	Crisil BBB-/Stable

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

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