

Ref-LTF/ SE/ 2025-26/

Date: July 28, 2025

To,

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| BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 | National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 |
|---|--|

Ref. Code: 532783. Scrip ID: LTFOODS

Sub: Intimation in respect of Credit Ratings under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir /Madam,

Pursuant to the provisions of Regulation 30 (read with Schedule III) of the SEBI Listing Regulations, we hereby inform you that, after due consideration, CRISIL Ratings Limited ("CRISIL") has assigned as below rating:

Rating Action

| | |
|---|---|
| Total Bank Loan Facilities Rated | Rs.880 Crore |
| Long Term Rating | Crisil AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed) |
| Short Term Rating | Crisil A1+ (Reaffirmed) |

The said information was received by the Company on July 28, 2025.

You are requested to take the same on record.

Thanking you.

Yours truly,

For **LT Foods Limited**

Monika Chawla Jaggia
Company Secretary
Membership No. F5150
Encl: a/a

Our Trusted Brands

Rating Rationale

July 28, 2025 | Mumbai

LT Foods Limited

Rating outlook revised to 'Positive'; Ratings Reaffirmed

Rating Action

| | |
|----------------------------------|--|
| Total Bank Loan Facilities Rated | Rs.880 Crore |
| Long Term Rating | Crisil AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed) |
| Short Term Rating | Crisil A1+ (Reaffirmed) |

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 revised its outlook on the long-term bank facilities of LT Foods Ltd (LTF; part of the LT group) to **'Positive'** from 'Stable' while reaffirming the rating at **'Crisil AA-'** and has reaffirmed its 'Crisil A1+' rating on the short-term bank facilities.

The revision in outlook reflects expectation of continued improvement in the business risk profile, underpinned by the group's strong market position in the basmati rice industry, healthy brand recall, diversified geographical presence in over 80 countries and established distribution network. The group achieved operating income of Rs 8,769 crore in fiscal 2025 (Rs 7,816 crore in fiscal 2024), backed by increased sales through the basmati and specialty rice segment and organic segment, driving volumetric growth. This fiscal, the group, through its subsidiary LT Foods America Inc, has acquired the remaining 49% stake in Golden Star Trading Inc (Golden), making it a wholly owned subsidiary. The group's revenue is expected to improve by 12–15% in fiscal 2026, driven by growth in existing segments along with addition of Golden's revenue to the portfolio (as prior to the acquisition of full stake, only profit was being included). A diversified product portfolio and new product innovations, along with strong brand equity in domestic and export markets, and a strong supply chain and distribution network will drive volume growth over the medium term. The group reported an operating margin of around 12% in fiscal 2025 (12.5% in fiscal 2024). The slight moderation in operating margin was due to an increase in freight costs. However, with freight costs now stabilized, the operating margin is expected to be 12.5–13%. In the event of a further increase in freight costs, the LT group will revise its prices to safeguard its operating margin, given its strong market position in the US and European markets. The group has reported continuous growth in revenue while reducing dependence on external debt, indicating improving sales efficiency and lower leverage.

The financial risk profile continues to remain strong, driven by debt to earnings before interest, tax, depreciation and amortisation (Ebitda) ratio of 0.7 time as on March 31, 2025 (0.54 time as on March 31, 2024), supported by sustained increase in profitability and lower dependence on external debt. Networth is expected to be around Rs 3,750 crore as on March 31, 2025 (Rs 3,339 crore as on March 31, 2024), driven by healthy accretion to reserves. Debt protection metrics have remained healthy, with interest coverage and net cash accrual to adjusted debt (NCAAD) ratios estimated at around 12 times and 0.9–1 time in fiscal 2025 (11.8 times and 1.36 times, respectively, in fiscal 2024), driven by healthy profitability. Going forward, the financial risk profile is likely to remain healthy, driven by no debt-funded capital expenditure (capex) or acquisition and healthy accretion to reserves.

The ratings reflect the group's strong market position in the basmati rice industry, diversified geographical reach through strong brands, established marketing network, product diversification and strong financial risk profile. These strengths are partially offset by susceptibility to volatile raw material prices, changes in trade policies of key importing countries and high working capital intensity in the basmati rice business.

Analytical Approach

Crisil Ratings has combined the business and financial risk profiles of LTF, its wholly owned subsidiaries - Daawat Foods Ltd (DFL) and Nature Bio Foods Ltd (NBFL), its majority-owned subsidiary, Raghunath Agro Industries Pvt Ltd (RAIPL), and other step-down subsidiaries. This is because all these companies, collectively referred to as the LT group, operate in the same line of business and have significant financial links.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Established market position and track record in the basmati rice industry:** The seven-decade experience of the promoters in the rice industry and established market position of the group as one of the top players in the domestic

basmati rice industry has led to consolidated revenue increasing at compound annual growth rate (CAGR) of 17% over the past three fiscals through 2025. Sales increased from all three business segments, including basmati and other specialty rice, organic food and ingredient, and convenience and health segments. The group operates across all channels such as general trade, modern trade, hotel/restaurant/catering (HoReCa), and e-commerce through more than 1,400 distributors and over 1,95,000 retail outlets in India and more than 100 distributors in the international market. The group has manufacturing units in India, US, Europe, UK and Africa that enable it to further strengthen its market position. The group has a strong product portfolio of more than ten brands with the flagship brand, Daawat and Royal commanding a high brand recall. The group caters to different geographies through different brands in the respective regions. Strong distribution and procurement networks, growing branded business and longstanding relationships with key importers and customers should continue to support the business.

- **Geographically diversified revenue profile with strong brand portfolio, established marketing network and growing product diversification:** The LT group is a globally reputed player in the rice industry, with established market presence across 80 countries. It has a strong brand portfolio with Daawat and Royal being the most prominent brand in the domestic market. The group generates majority of its revenue (70% in fiscal 2025) from exports, commanding a leading position in the US and European markets while the balance is contributed by countries in the Middle East and Far East, among others. While the group is largely a basmati player, it has diversified into organic and rice-based health and convenience foods, which have growth and margin potential. The presence of established brands acts as an entry barrier in the basmati rice industry, as establishing a brand involves significant time and marketing expenditure. Basmati rice continued to command a dominant revenue contribution of more than 80% in fiscal 2025. The group is also present in the organic food business and the products under this segment include rice, pulses, soya and soya meals, oil seeds, cereal grains, spices and nuts. Revenue from the organic segment has grown at a healthy rate to around Rs 933 crore in fiscal 2025 (Rs 724 crore in fiscal 2024) from Rs 367 crore in fiscal 2020 driven by volumetric growth. Countervailing duty was levied by US Department of Commerce on export of organic soybean from India in fiscal 2025. To mitigate this issue, the group is expected to cater to the US market through its plant in Uganda where soya products are directly sourced. The group has also launched health and convenience food products which, despite having a low contribution to overall revenue (2-3% of the revenue), have expanded at a healthy CAGR. Demand for convenience food is likely to grow over the next few years. While profitability is low because of the low volume, the segment has high margin potential, which would be gradually realized as the group establishes its brand and increases its sales. Crisil Ratings believes that the group's strong brand portfolio across multiple geographies, diversified product offerings and established marketing and distribution networks will continue to support the overall business risk profile.
- **Strong financial risk profile:** The LT group has been able to grow its business supported by internal accrual, which is reflected in reduced dependency on external debt, indicating improving sales efficiency and lower leverage. Debt to Ebitda ratio has been continuously improving; the ratio is expected to remain below 1 time as on March 31, 2026 (0.71 time as on March 31, 2025). The group's network is expected to be over Rs 4,300 crore as on March 31, 2026 (estimated to be Rs 3,750 crore as on March 31, 2025) driven by healthy accretion to reserves. Total outside liabilities to adjusted network (TOLANW) ratio is comfortable at around 0.9 time as on March 31, 2025, and it is expected to remain below 1 time going ahead. Debt protection metrics are strong, as reflected in interest coverage and NCAAD ratios estimated at 12 times and 0.9-1 time, respectively, in fiscal 2025.

Weaknesses:

- **Susceptibility to volatile raw material prices and changes in trade policies of key importing countries:** The raw material (paddy) constitutes 75-80% of sales cost and its prices directly impact operating profitability. The group usually enters an understanding with customers for supply of rice, though the same is not binding. Hence, exposure to risks related to any steep variation in paddy prices, after procurement, remains high. Additionally, the group is exposed to changes in the trade policies of the countries where basmati rice is exported. However, strong brand positioning, well-diversified geographical reach and sourcing capabilities help mitigate this risk and maintain profitability. Operating margin is expected to remain at 12.5-13% for the full fiscal 2026. In the event of a further increase in freight costs, the LT group will revise its prices to safeguard its operating margin, given its strong market position in the US and European markets.
- **High working capital intensity in the basmati rice business:** Operations continue to remain working capital intensive, primarily due to high inventory level, given the seasonality in the availability of basmati paddy and the need to store rice for 12-24 months for ageing. Basmati is sowed during July-August and harvested from October, resulting in high inventory holding and debt utilisation during the second half of the year. Furthermore, players in the industry try to tap the benefit of lower paddy prices by stocking up during the season. The working capital cycle is expected to remain high with gross current assets (GCAs) expected at 230-240 days as on March 31, 2025 (203 days as on March 31, 2024), driven by inventory of around 205 days and debtors of 30-35 days. The working capital requirement is adequately supported by internal accrual, working capital limits and creditors (105 days as on March 31, 2025). GCAs are expected to remain 220-230 days in the near to medium term.

Liquidity: Strong

Expected net cash accrual of Rs 800-900 crore annually will be more than sufficient to meet incremental working capital requirement and yearly debt repayment of Rs 1-2 crore over the medium term. Cash and bank balance of Rs 143 crore as on March 31, 2025, further supports the liquidity of the group. Bank utilisation was low and averaged 26% for the 12 months through April 2025. The current ratio is estimated to be 1.7 times as on March 31, 2025. The group has received an insurance claim of Rs 265 crore against a 100% bank guarantee which is expected to support the liquidity.

Outlook: Positive

Crisil Ratings believes that growth of the LT group's revenue is expected to sustain benefitting from its established market position, strong brands, diverse geographical presence in the basmati rice industry along with strong financial risk profile.

Rating sensitivity factors**Upward factors:**

- Steady revenue growth on-year on the back of volume growth aided by offtake from acquisition and improved market share along with sustained operating margin at 12.5%, leading to generation of healthy net cash accrual
- Sustenance of working capital cycle and strong financial risk profile

Downward factors:

- Substantial decline in scale of operations or operating margin falling below 11.5%, leading to lower-than-anticipated net cash accrual
- Large, debt-funded capex or acquisition or substantial increase in working capital cycle weakening the financial risk profile with debt to Ebitda ratio increasing above 1.5 times over the medium term.

About the Company

LTF was established in 1990 by the Amritsar-based Arora family. It mills, processes and markets rice (largely basmati). The company has established brands such as Daawat, Royal, Devaaya, Rozana, Heritage and Chef's Secretz, varying from basic to premium quality, both in the domestic and overseas markets. It has facilities in Haryana, Punjab and Madhya Pradesh, with a combined milling capacity of 106 tonne per hour (tph) and individual capacity of 58 tph.

About the group

DFL was incorporated in May 2006 as a majority-owned subsidiary of LTF, which had a shareholding of ~71%; the balance is held by United Farmers Investment Company, which is a subsidiary of Saudi Agricultural & Livestock Investment Company (SALIC) that is owned by the Public Investment Fund of the Kingdom of Saudi Arabia. SALIC acquired ~29% stake from India Agri Business Fund, sponsored by Rabobank and 0.1% from REAL Trust in May 2020. DFL processes and markets basmati rice at its unit in Mandideep, Bhopal, with installed capacity of 45 tph. In fiscal 2023, LTF acquired 29.52% stake in its material subsidiary, DFL. Post this transaction, DFL has become a wholly owned subsidiary of LTF.

NBFL, established in 2007, is a wholly owned subsidiary of LTF. The company deals in organic basmati rice, non-basmati rice, soya, pulses, spices, rice flour, wheat flour and miscellaneous agricultural commodities. It sells locally under the brand, Ecolife, while exports are mainly ingredients. It has a capacity of 6 tph in Sonipat, Haryana. NBFL recently acquired 30% stake in Leev, an organic specialty food company based in Netherlands, with an option of increasing its stake to 21% at the end of five years.

RAIPL processes rice at its facility in Amritsar with capacity of 6 tph. It produces raw and parboiled rice under brands such as Devaya, Rozana and Chef's Secretz. It is a wholly owned subsidiary of LTF.

Key Financial Indicators (Consolidated)

| As on / for the period ended March 31 | Unit | 2025 | 2024 |
|---------------------------------------|----------|------|------|
| Operating income | Rs.Crore | 8682 | 7816 |
| Reported profit after tax (PAT) | Rs.Crore | 612 | 598 |
| PAT margin | % | 6.9 | 7.6 |
| Adjusted debt/adjusted networkth | Times | 0.2 | 0.2 |
| Interest coverage | Times | 12.0 | 11.8 |

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 - 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 | Fund-Based Facilities | NA | NA | NA | 698.00 | NA | Crisil AA-/Positive |
| NA | Non-Fund Based Limit | NA | NA | NA | 172.10 | NA | Crisil A1+ |
| NA | Proposed Fund-Based Bank Limits | NA | NA | NA | 9.90 | NA | Crisil AA-/Positive |

Annexure – List of entities consolidated

| Names of entities consolidated | Extent of consolidation | Rationale for consolidation |
|--------------------------------|-------------------------|-----------------------------|
|--------------------------------|-------------------------|-----------------------------|

| | | |
|--------------------------------------|--------------------|---------------------------------------|
| Daawat Foods Ltd | Full consolidation | Same business and fungible cash flows |
| SDC Foods India Ltd | Full consolidation | Same business and fungible cash flows |
| L T International Ltd | Full consolidation | Same business and fungible cash flows |
| LT Overseas North America Inc. | Full consolidation | Same business and fungible cash flows |
| Sona Global Ltd | Full consolidation | Same business and fungible cash flows |
| Raghuvesh Foods & Infrastructure Ltd | Full consolidation | Same business and fungible cash flows |
| LT Foods International Ltd | Full consolidation | Same business and fungible cash flows |
| Nature Bio Foods Ltd | Full consolidation | Same business and fungible cash flows |
| LT Agri Services Pvt Ltd | Full consolidation | Same business and fungible cash flows |
| LT Foods USA LLC | Full consolidation | Same business and fungible cash flows |
| LT Foods Middle East DMCC | Full consolidation | Same business and fungible cash flows |
| Universal Traders Inc. | Full consolidation | Same business and fungible cash flows |
| Expo Services Pvt Ltd | Full consolidation | Same business and fungible cash flows |
| Fresco Fruits N Nuts Pvt Ltd | Full consolidation | Same business and fungible cash flows |
| LT Foods Europe B.V. | Full consolidation | Same business and fungible cash flows |
| LT Foods Americas, Inc. | Full consolidation | Same business and fungible cash flows |
| Raghunath Agro Industries Pvt Ltd | Full consolidation | Same business and fungible cash flows |
| Deva Singh Sham Singh Export Pvt Ltd | Full consolidation | Same business and fungible cash flows |
| Daawat Kameda (India) Pvt Ltd | Full consolidation | Same business and fungible cash flows |
| Nature Bio-Foods B.V. | Full consolidation | Same business and fungible cash flows |
| Nature Bio Foods Inc | Full consolidation | Same business and fungible cash flows |

Annexure - Rating History for last 3 Years

| Instrument | Current | | | 2025 (History) | | 2024 | | 2023 | | 2022 | | Start of 2022 |
|---------------------------|---------|--------------------|---------------------|----------------|--------|----------|-------------------|----------|------------------|----------|-------------------|-----------------|
| | Type | Outstanding Amount | Rating | Date | Rating | Date | Rating | Date | Rating | Date | Rating | Rating |
| Fund Based Facilities | LT | 707.9 | Crisil AA-/Positive | | -- | 30-04-24 | Crisil AA-/Stable | 28-02-23 | Crisil A+/Stable | 30-04-22 | Crisil A/Positive | Crisil A/Stable |
| | | | -- | | -- | | -- | | -- | 16-03-22 | Crisil A/Positive | Crisil A/Stable |
| | | | -- | | -- | | -- | | -- | 17-02-22 | Crisil A/Positive | -- |
| Non-Fund Based Facilities | ST | 172.1 | Crisil A1+ | | -- | 30-04-24 | Crisil A1+ | 28-02-23 | Crisil A1 | 30-04-22 | Crisil A1 | Crisil A1 |
| | | | -- | | -- | | -- | | -- | 16-03-22 | Crisil A1 | Crisil A1 |
| | | | -- | | -- | | -- | | -- | 17-02-22 | Crisil A1 | -- |

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

| Facility | Amount (Rs.Crore) | Name of Lender | Rating |
|-----------------------|-------------------|--------------------------------|---------------------|
| Fund-Based Facilities | 40 | Qatar National Bank (Q.P.S.C.) | Crisil AA-/Positive |
| Fund-Based Facilities | 84 | State Bank of India | Crisil AA-/Positive |
| Fund-Based Facilities | 40 | Kotak Mahindra Bank Limited | Crisil AA-/Positive |
| Fund-Based Facilities | 50 | Doha Bank QPSC | Crisil AA-/Positive |
| Fund-Based Facilities | 20 | The Federal Bank Limited | Crisil AA-/Positive |
| Fund-Based Facilities | 37 | CTBC Bank Co Limited | Crisil AA-/Positive |
| Fund-Based Facilities | 172 | Punjab National Bank | Crisil AA-/Positive |
| Fund-Based Facilities | 80 | Union Bank Of India Limited | Crisil AA-/Positive |
| Fund-Based Facilities | 77 | IndusInd Bank Limited | Crisil AA-/Positive |
| Fund-Based Facilities | 72.5 | ICICI Bank Limited | Crisil AA-/Positive |
| Fund-Based Facilities | 25.5 | HDFC Bank Limited | Crisil AA-/Positive |
| Non-Fund Based Limit | 21 | Punjab National Bank | Crisil A1+ |
| Non-Fund Based Limit | 15 | IndusInd Bank Limited | Crisil A1+ |
| Non-Fund Based Limit | 15.1 | ICICI Bank Limited | Crisil A1+ |
| Non-Fund Based Limit | 5 | HDFC Bank Limited | Crisil A1+ |
| Non-Fund Based Limit | 30 | Qatar National Bank (Q.P.S.C.) | Crisil A1+ |
| Non-Fund Based Limit | 6 | State Bank of India | Crisil A1+ |

| | | | |
|--|------------|------------------------------------|----------------------------|
| Non-Fund Based Limit | 23 | Kotak Mahindra Bank Limited | Crisil A1+ |
| Non-Fund Based Limit | 50 | The Federal Bank Limited | Crisil A1+ |
| Non-Fund Based Limit | 7 | CTBC Bank Co Limited | Crisil A1+ |
| Proposed Fund-Based Bank Limits | 9.9 | Not Applicable | Crisil AA-/Positive |

Criteria Details

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|---|
| Links to related criteria |
| Basics of Ratings (including default recognition, assessing information adequacy) |
| Criteria for consolidation |

| Media Relations | Analytical Contacts | Customer Service Helpdesk |
|--|---|---|
| Ramkumar Uppara Media Relations Crisil Limited M: +91 98201 77907 B: +91 22 6137 3000 ramkumar.uppara@crisil.com | Nitin Kansal Director Crisil Ratings Limited B: +91 124 672 2000 nitin.kansal@crisil.com | Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 3850 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com |
| Kartik Behl Media Relations Crisil Limited M: +91 90043 33899 B: +91 22 6137 3000 kartik.behl@crisil.com | Smriti Singh Associate Director Crisil Ratings Limited B: +91 124 672 2000 smriti.singh@crisil.com | For Analytical queries: ratingsinvestordesk@crisil.com |
| Divya Pillai Media Relations Crisil Limited M: +91 86573 53090 B: +91 22 6137 3000 divya.pillai1@ext-crisil.com | Anzar Quadri Senior Rating Analyst Crisil Ratings Limited B: +91 124 672 2000 anzar.quadri@crisil.com | |