

## INDEPENDENT AUDITOR'S REPORT

To the Members of Daawat Foods Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Daawat Foods Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report (Refer Annexure 'A'). We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Note 5 to the financial statements with regard to a litigation about the recoverability of an insurance claim (asset) amounting to INR 13,410.53 lakhs as at March 31, 2025. The note further explains that the Insurance Company had repudiated the claim, against which the Company had filed a commercial suit with the District Court of Raisen, Bhopal ('District Court'), which passed a decree in the favour of the Company on December 22, 2023, and the subsequent developments thereof. The Insurance Company, against the order of the District Court, has filed an appeal with the Hon'ble High Court of Madhya Pradesh which has been admitted by the High Court on May 31, 2024, however, the hearing is pending.

Our opinion is not modified in respect of this matter.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 2(h)(vi) below on reporting under Rule 11(g). Also, in the absence of sufficient and appropriate audit evidence, we are unable to comment on whether back-up of the books of account and other records, maintained in electronic mode, have been maintained on a daily basis.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 39 to the financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any



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manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under sub-clause (iv)(a) and (iv)(b) above, contain any material mis-statement.
- v. The dividend declared and paid by the Company during the year is in compliance with Section 123 of the Act.
- vi. Based on our examination, which includes test checks, the Company has used an accounting software for maintaining its books of accounts (managed and maintained by a third- party software service provider) which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except that we are unable to comment on audit trail at database level as the Company has not been able to gather related evidence from the service provider who manages this accounting software.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, wherever maintained. Additionally, in the absence of sufficient and appropriate audit evidence (as stated in paragraph 2(b) above), we are unable to comment whether the audit trail of previous year has been preserved by the Company as per the statutory requirements for record retention.

- 3. In our opinion and according to information and explanations given to us, the remuneration paid and provided by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W



Sriparna De  
Partner  
Membership No. 060978  
UDIN: 25060978BMMLJD9942

Place: Gurugram  
Date: May 15, 2025



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF DAAWAT FOODS LIMITED**

**Auditor's Responsibilities for the Audit of the Financial Statements**

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013 ("the Act"), we are also responsible for expressing our opinion on whether Daawat Foods Limited ("the Company") has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management's and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W



Sriparna De  
Partner  
Membership No. 060978  
UDIN: 25060978BMMLJD9942

Place: Gurugram  
Date: May 15, 2025

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DAAWAT FOODS LIMITED

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Daawat Foods Limited ("the Company") on the Financial Statements for the year ended March 31, 2025]

- i.
- (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use assets.
- B. The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment under which Property, Plant and Equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible assets. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in clause 3(i)(e) of the Order are not applicable to the Company.
- ii.
- (a) The inventory (except for goods in transit and inventory lying with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification, the coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from Banks or Financial Institutions on the basis of security of current assets and immovable property. The quarterly revised returns and statements filed by the Company with such banks and financial institutions on aggregate basis are, except for few immaterial differences, in agreement with the unaudited books of account of the Company. Also Refer Note 55 to the financial statements.
- iii. According to the information and explanations given to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.



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- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, accordingly provisions of Section 185 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions stated under clause 3(v) of the Order are not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2025, which are in nature of deposits.
- vi. The provisions of sub-section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in clause 3(vi) of the Order are not applicable to the Company.
- vii.
  - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance and income tax, though there has been slight delay in few cases, and is regular in depositing undisputed statutory dues including goods and services tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable, with the appropriate authorities during the year.

There are no undisputed amounts payable in respect of aforementioned statutory dues as at March 31, 2025 which are outstanding for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company, the details of the statutory dues referred to in sub-clause (a) above which has not been deposited as at March 31, 2025 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Unpaid Amount (in INR lakhs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax demand	59.57	2008-09	Assessing Officer
Income tax Act, 1961	Income tax demand	682.82	2016-17	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax demand	80.26	2017-18	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax demand	4.86	2019-20	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax demand	0.09	2020-21	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax demand	0.97	2021-22	Commissioner of Income Tax (Appeals)





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- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessments under the Income Tax Act, 1961. Accordingly, the provision stated under clause 3(viii) of the Order are not applicable to the Company.
- ix.
- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures performed, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans during the year. Accordingly, the provisions stated under clause 3(ix)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the provisions stated under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the provisions stated under clause 3(ix)(f) of the Order is not applicable to the Company.
- x.
- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- xi.
- (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) During the year no report under Section 143(12) of the Act, has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in clause 3(xi)(c) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in clause 3(xii) of the Order are not applicable to the Company.





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- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv.
- (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during the audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion, during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors during the year and hence, provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the provisions stated in clause 3(xv) of the Order are not applicable to the Company.
- xvi.
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions stated in clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core investment Company ("CIC") as defined in the regulations made by Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us, The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of the financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated in Clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios (as disclosed in Note 50 to the financial statements), ageing and expected date of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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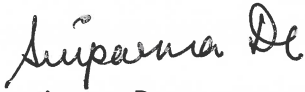
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xx.

- (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, the provisions stated in clause 3(xx)(a) of the Order are not applicable to the Company.
- (b) In respect of ongoing projects, the Company has transferred unspent amount to a special account within a period of thirty days from the end of the financial year in compliance with Section 135(6) of the Act as explained in Note 36 to the financial statements.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W



Sriparna De  
Partner  
Membership No. 060978  
UDIN: 25060978BMMLJD9942

Place: Gurugram  
Date: May 15, 2025

## ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DAAWAT FOODS LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Daawat Foods Limited ("the Company") on the Financial Statements for the year ended March 31, 2025]

### Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

#### Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

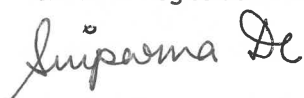
## Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W



Sriparna De  
Partner  
Membership No. 060978  
UDIN: 25060978BMMLJD9942

Place: Gurugram  
Date: May 15, 2025



**DAAWAT FOODS LIMITED**  
**Balance Sheet as at March 31, 2025**  
(All amounts are in ₹ lakhs unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2 (i)	15,068.14	16,518.64
Capital work-in-progress	2 (ii)	2,257.51	588.90
Right of use assets	2 (iii)	221.12	301.51
Other intangibles assets	3	2.90	2.70
<b>Financial assets</b>			
Investments	4	233.79	203.82
Other financial assets	5	13,990.21	13,963.48
Deferred tax assets (net)	6	230.75	111.64
Other non-current assets	7	253.64	83.84
Non-current tax assets	8	374.62	361.34
<b>Total non-current assets</b>		<b>32,632.68</b>	<b>32,135.87</b>
<b>Current assets</b>			
Inventories	9	1,21,498.38	1,01,554.74
<b>Financial assets</b>			
Trade receivables	10	6,333.49	3,722.11
Cash and cash equivalents	11	421.10	328.89
Bank balances other than cash and cash equivalent	12	61.74	-
Other financial assets	13	484.76	468.29
Other current assets	14	2,049.01	2,732.59
<b>Total current assets</b>		<b>1,30,848.48</b>	<b>1,08,806.62</b>
<b>Total assets</b>		<b>1,63,481.16</b>	<b>1,40,942.49</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	1,915.53	1,915.53
Other equity	16	67,897.79	54,268.51
<b>Total equity</b>		<b>69,813.32</b>	<b>56,184.04</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	17	1,532.61	1,527.59
Lease liabilities	18	168.42	244.86
Provisions	19	189.29	139.66
Other non-current liabilities	20	-	3.29
<b>Total non-current liabilities</b>		<b>1,890.32</b>	<b>1,915.40</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	13,060.55	14,864.79
Lease liabilities	22	76.44	67.44
Trade payables	23		
- total outstanding dues of micro and small enterprises		17,842.65	823.28
- total outstanding dues to other than micro and small enterprises		46,978.39	55,852.04
Other financial liabilities	24	1,919.79	1,191.33
Other current liabilities	25	10,684.70	9,861.90
Provisions	26	40.19	35.86
Current tax liabilities (net)	27	1,174.81	146.41
<b>Total current liabilities</b>		<b>91,777.52</b>	<b>82,843.05</b>
<b>Total liabilities</b>		<b>93,667.84</b>	<b>84,758.45</b>
<b>Total equity and liabilities</b>		<b>1,63,481.16</b>	<b>1,40,942.49</b>

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For **M S K A & Associates**  
Chartered Accountants  
Firm Registration Number:- 105047W

*Sripurna De*

Sripurna De  
Partner  
Membership No.: 060978  
Place : Gurugram  
Date : May 15, 2025

For and on behalf of the Board of Directors  
of Daawat Foods Limited

*Parmod Kumar*  
Parmod Kumar  
Whole-time Director  
DIN: 02475571  
Place : Sonapat  
Date : May 13, 2025

*Sachin Gupta*  
Sachin Gupta  
Chief Finance Officer  
Membership No.: 99415  
Place : Gurugram  
Date : May 13, 2025

*Surinder Kumar Arora*  
Surinder Kumar Arora  
Managing Director  
DIN: 01574728  
Place : Sonapat  
Date : May 13, 2025

*Anushka*  
Anushka  
Company Secretary  
Membership No.: A18354  
Place : Gurugram  
Date : May 13, 2025

**DAAWAT FOODS LIMITED**

**Statement of Profit and Loss for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

	Notes	Year ended March 31, 2025	Year ended March 31, 2024
<b>Income</b>			
Revenue from operations	28	1,81,984.15	1,55,060.23
Other income	29	208.31	206.72
<b>Total income</b>		<b>1,82,192.46</b>	<b>1,55,266.95</b>
<b>Expenses</b>			
Cost of material consumed	30	1,39,412.25	1,35,317.52
Purchases of stock-in-trade	31	-	791.41
Changes in inventories of finished goods, semi finished goods, work-in-progress and stock in trade	32	(2,779.45)	(14,479.73)
Employee benefits expense	33	2,993.24	2,706.40
Finance costs	34	2,444.46	2,400.76
Depreciation and amortization expense	35	2,817.79	1,901.38
Other expenses	36	19,052.09	12,408.80
<b>Total expenses</b>		<b>1,63,940.38</b>	<b>1,41,046.54</b>
<b>Profit before tax</b>		<b>18,252.08</b>	<b>14,220.41</b>
<b>Tax expense</b>	37		
Current tax		4,911.82	3,497.67
Deferred tax (credit)/expense		(164.75)	139.40
<b>Total tax expense</b>		<b>4,747.07</b>	<b>3,637.07</b>
<b>Profit for the year</b>		<b>13,505.01</b>	<b>10,583.34</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation	41	12.83	(26.31)
Tax on above		(3.23)	6.62
Items that will be reclassified to profit or loss			
Gain on cash flow hedge reserves	43	153.24	10.36
Tax on above		(38.57)	(2.61)
<b>Other comprehensive income/ (loss) for the year</b>		<b>124.27</b>	<b>(11.94)</b>
<b>Total comprehensive income for the year</b>		<b>13,629.28</b>	<b>10,571.40</b>
<b>Earning per equity share</b>	38		
<b>For Ordinary Equity Shares (1,89,05,291 Equity Shares @ Rs. 10 each)</b>			
Basic and diluted		70.50	55.25
<b>For Non Voting Equity Shares (2,50,050 Equity Shares @ Rs. 10 each)</b>			
Basic and diluted		70.50	55.25

The accompanying notes are an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For M S K A & Associates  
Chartered Accountants  
Firm Registration Number:- 105047W

*Sriparna De*

Sriparna De  
Partner  
Membership No.: 060978  
Place : Gurugram  
Date : May 15, 2025

For and on behalf of the Board of Directors  
of Daawat Foods Limited

*Parmod Kumar*  
Parmod Kumar  
Whole-time Director  
DIN: 02475571  
Place : Sonapat  
Date : May 13, 2025

*Sachin Gupta*  
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Chief Finance Officer  
Membership No.: 99415  
Place : Gurugram  
Date : May 13, 2025

*Surinder Kumar Arora*  
Surinder Kumar Arora  
Managing Director  
DIN: 01574728  
Place : Sonapat  
Date : May 13, 2025

*Anupushkarna*  
Anupushkarna  
Company Secretary  
Membership No.: A18354  
Place : Gurugram  
Date : May 13, 2025

**DAAWAT FOODS LIMITED**

**Statement of Cash Flows for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
<b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	18,252.08	14,220.41
Adjustments for:		
Depreciation and amortization expense	2,817.79	1,901.38
Unrealised foreign exchange gain	(13.48)	(5.62)
Fair value gain/(loss) on investment	3.03	(21.42)
Gain on sale of property, plant and equipment	(8.59)	(25.22)
Finance Cost	2,444.46	2,400.76
Interest income	(40.11)	(47.61)
Provision for doubtful debts	23.99	-
Operating profit before working capital changes	23,479.17	18,422.68
Adjustment for (increase)/ decrease in operating assets		
Trade receivables	(2,609.28)	4,001.36
Inventories	(19,943.64)	(15,222.63)
Other financial assets (current and non-current)	120.20	(344.19)
Other assets (current and non-current)	343.98	(1,041.62)
Adjustment for increase/ (decrease) in operating liabilities		
Trade payables	8,153.52	3,799.94
Other liabilities and provisions (current and non-current)	873.48	6,592.13
Other financial liabilities (current and non-current)	1,127.28	53.47
Cash generated from operations	11,544.71	16,261.14
Income tax paid (net)	(3,892.85)	(3,646.84)
Net cash generated from operating activities (A)	7,651.86	12,614.30
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for acquisition of property, plant and equipment (including intangible assets, capital work in progress, movement in capital advances and payables for property, plant and equipment)	(3,217.90)	(6,033.64)
Payments for purchase of non-current investments	(33.00)	(24.00)
Proceeds from sale of property, plant and equipment	54.57	34.56
Investment in fixed deposits	(61.37)	(1.37)
Interest received	29.58	17.43
Net cash used in investing activities (B)	(3,228.12)	(6,007.02)
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	1,201.79	-
Repayment of long term borrowings	(1,223.88)	(20.34)
Repayment of short term borrowings (net)	(1,810.32)	(4,518.87)
Dividend paid on redeemable preference shares	(200.00)	(200.00)
Interest paid	(2,209.12)	(2,161.76)
Payment towards lease liability	(90.00)	(90.00)
Net cash used in financing activities (C)	(4,331.53)	(6,990.97)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	92.21	(383.69)
Cash and cash equivalents at the beginning of the year	328.89	712.58
Cash and cash equivalents at the end of the year	421.10	328.89
Components of cash and cash equivalents (refer note 11)		
Cash on hand	0.17	0.17
Balances with banks		
- on current account	399.30	323.72
- on deposit account with maturity of less than 3 months at balance sheet date	21.63	5.00
Total cash and cash equivalents	421.10	328.89

**Note:**

- The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- Refer note 17 for reconciliation of liabilities arising from financing activities.

The accompanying notes are an integral part of the financial statements.

This is the Statement of Cash Flows referred to in our report of even date.

For M S K A & Associates  
Chartered Accountants  
Firm Registration Number:- 105047W

Sriparna De  
Partner  
Membership No.: 060978  
Place : Gurugram  
Date : May 15, 2025

For and on behalf of the Board of Directors  
of Daawat Foods Limited

Parmod Kumar  
Whole-time Director  
DIN: 02475571  
Place : Sonapat  
Date : May 13, 2025

Surinder Kumar Arora  
Managing Director  
DIN: 01574728  
Place : Sonapat  
Date : May 13, 2025

Sachin Gupta  
Chief Finance Officer  
Membership No.: 99415  
Place : Gurugram  
Date : May 13, 2025

Anu Rushikarna  
Company Secretary  
Membership No.: A18354  
Place : Gurugram  
Date : May 13, 2025

## DAAWAT FOODS LIMITED

Statement of changes in equity for the year ended March 31, 2025

(All amounts are in ₹ lakhs unless otherwise stated)

## A. Equity Share Capital- (Refer Note 15)

Particulars	Amount
Balance at April 01, 2023	1,915.53
Changes during the year	-
Balance at March 31, 2024	1,915.53
Changes during the year	-
Balance at March 31, 2025	1,915.53

## B. Other Equity- (Refer Note 16)

Particulars	Equity component of Non cumulative redeemable preference shares (refer Note 16)	Reserve and surplus				Total
		Retained earnings	General reserve	Cash flow hedging reserve	Securities premium reserve	
Balance as at April 01, 2023	524.03	41,236.83	223.68	(12.94)	1,725.51	43,697.11
Profit for the year	-	10,583.34	-	-	-	10,583.34
Items of other comprehensive income for the year :-						
Remeasurement of defined benefit obligations (net of taxes)	-	(19.69)	-	-	-	(19.69)
Gain on cash flow hedges (net of taxes)	-	-	-	7.75	-	7.75
Total comprehensive income for the year	-	10,563.65	-	7.75	-	10,571.40
Balance as at March 31, 2024	524.03	51,800.48	223.68	(5.19)	1,725.51	54,268.51
Balance as at April 01, 2024	524.03	51,800.48	223.68	(5.19)	1,725.51	54,268.51
Profit for the year	-	13,505.01	-	-	-	13,505.01
Items of other comprehensive income for the year :-						
Remeasurement of defined benefit obligations (net of taxes)	-	9.60	-	-	-	9.60
Gains on cash flow hedges (net of taxes)	-	-	-	114.67	-	114.67
Total comprehensive income for the year	-	13,514.61	-	114.67	-	13,629.28
Balance as at March 31, 2025	524.03	65,315.09	223.68	109.48	1,725.51	67,897.79

The accompanying notes are an integral part of the financial statements.

This is the Statement of changes in equity referred to in our report of even date.

For M S K A & Associates  
Chartered Accountants  
Firm Registration Number:- 105047W

For and on behalf of the Board of Directors  
of Daawat Foods Limited

*Sriparna De*

Sriparna De  
Partner  
Membership No.: 060978  
Place : Gurugram  
Date : May 15, 2025

*Parmod Kumar*  
Parmod Kumar  
Whole-time Director  
DIN: 02475571  
Place : Sonapat  
Date : May 13, 2025  
*Sachin Gupta*  
Sachin Gupta  
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Membership No.: 99415  
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Date : May 13, 2025

*Surinder Kumar Arora*  
Surinder Kumar Arora  
Managing Director  
DIN: 01574728  
Place : Sonapat  
Date : May 13, 2025  
*Anu Pushkarna*  
Anu Pushkarna  
Company Secretary  
Membership No.: A18354  
Place : Gurugram  
Date : May 13, 2025



## Daawat Foods Limited

### Summary of material accounting policies for the year ended March 31, 2025

#### 1. i) Corporate Information

Daawat Foods Limited (the 'Company') is a public company with its registered office in Unit No. 134, 1<sup>st</sup> floor, Rectangle-1, Saket District Center, New Delhi-110017 India and incorporated under the provisions of the erstwhile Companies Act, 1956. It is a wholly owned subsidiary of LT Foods Limited. Daawat Foods Limited is primarily in the business of milling, processing and marketing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market and integrated business of handling, storage and transportation of food grains.

#### ii) Basis of preparation

a) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, as amended from time to time and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

#### b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle\*,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle\*,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non current liabilities, as the case may be.

\*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.



## Daawat Foods Limited

### Summary of material accounting policies for the year ended March 31, 2025

#### iii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### iv) Material Accounting Policies

##### a) Inventory

Inventories are valued as follows:

##### **Raw materials, stores and spares and packing materials**

Raw materials, stores and spares and packing material are valued at lower of cost and net realisable value. Cost of raw materials, stores and spares and packing material is determined on a 'First in First Out' basis and includes freight costs, interest expense where such materials are stored for a substantial period of time and other expenditure incurred in bringing such inventories to their present location and conditions. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.

Stores and spares having useful life of more than twelve months are capitalized as tangible assets under "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

##### **Work in progress**

Work in progress is valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion and interest expense where such materials are stored for a substantial period of time.

##### **Finished goods**

Finished goods is valued at lower of cost and net realisable value. Cost includes cost of raw materials, direct and indirect overheads which are incurred to bring the inventories to their present location and condition and also includes interest as a carrying cost of goods where such goods are stored for a substantial period of time. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

##### b) Property, Plant and Equipment

##### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, taxes (against which input has not been availed), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow



**Daawat Foods Limited****Summary of material accounting policies for the year ended March 31, 2025**

to the Company. All other repair and maintenance costs are recognized in Statement of Profit or Loss as incurred.

*Subsequent measurement (depreciation and useful lives)*

Depreciation on Property, plant and equipment is provided on the written down value arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

However, for the following classes of assets the Company has adopted useful life which are different from those prescribed in Schedule II of the Act.

Categories	Asset Type	Useful life adopted by management	Useful Life as per Schedule II
Plant & Machinery	Other than continuous plant	40	15

*De-recognition*

An item of Property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognized.

**c) Intangible assets***Recognition and initial measurement*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

*Subsequent measurement (amortization and useful lives)*

All finite-lived intangible assets are accounted for using the cost model whereby capitalized costs are amortized over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Useful life (in years)
Software	03

*De-recognition*

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.



**Daawat Foods Limited**

**Summary of material accounting policies for the year ended March 31, 2025**

**d) Capital Work in Progress**

Capital work in progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises purchase cost, related acquisition expenses and other direct expenses.

**e) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Impairment losses of continuing operations are recognized in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**f) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate (EIR) that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**g) Functional and presentation currency**

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

**Foreign Currencies**

**Transactions and balances**

*Initial recognition*

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

*Subsequent measurement*

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.





#### h) Leases

Where the Company is the lessee

##### Right of use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company enters into leasing arrangements for various assets. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company obtains substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

##### Recognition and initial measurement

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

##### Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments). Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in statement of profit and loss on a straight-line basis over the lease term.

##### Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and



## Daawat Foods Limited

### Summary of material accounting policies for the year ended March 31, 2025

recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

#### i) Fair value measurement

The Company measures financial instruments, such as derivatives and certain investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

#### j) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, as, or when, the performance obligation is satisfied. The Company recognizes revenue when it transfers control of a product or service to a customer.

Revenue is measured on the basis of transaction price, which is the consideration, adjusted for volume discounts, rebates, schemes allowances, price concessions, incentives, amounts collected on behalf of the government and returns, if any, as specified in the contracts with the customers. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.



## Daawat Foods Limited

### Summary of material accounting policies for the year ended March 31, 2025

#### **Sale of goods:**

Revenue from sale of goods is recognized when it transfers control of the product to a customer i.e. when customers are billed (in case of ex-works) or when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. The Company considers whether there are other promises in the contract in which there are separate performance obligations, to which a portion of the transaction price needs to be allocated. When payments received from the customers exceed revenue recognized to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities.

Customer has a right to return for defective goods. Since the quantity of goods returned has been minimal for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur.

In order to determine if it is acting as a principal or as an agent, the Company assesses whether it has exposure to the significant risks and rewards associated with the sale of goods. Revenue from such transactions where the Company is acting as an agent is recognized on net basis i.e. after deducting the amount contractually payable to vendor out of the total consideration received and is recognized once the facilitation of such service is done as the Company does not assume any performance obligation.

#### **Satisfaction of performance obligations**

The Company's revenue is derived from the single performance obligation to transfer primarily rice and other products under arrangements in which the transfer of control of the goods and the fulfillment of the Company's performance obligation occur at the same time. Therefore, revenue from the sale of goods is recognized when the Company transfers control at the point in time the customer takes undisputed delivery of the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

No element of financing is deemed present as the sales are made with insignificant credit terms depending on the specific terms agreed with customers.

#### **Rental income:**

Rental income for operating lease is recognized on straight line basis with reference to terms of the agreements.

#### **Interest income:**

Interest income from a financial asset is recognised it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

#### **Rendering of Services:**

Income from services rendered is recognised at a point in time based on agreements / arrangements with the customers when the services are performed and there are no unfulfilled obligations.



**k) Financial instruments**

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognizes the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognizes that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

**Financial assets**

**Classification and subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- i. **Financial assets at amortized cost** - a financial instrument is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method.

- ii. **Investments in equity instruments of subsidiaries** - Investments in equity instruments of subsidiaries are accounted for at cost less accumulated impairment in accordance with Ind AS 27 Separate Financial statements.

- iii. **Financial assets at fair value**

- **Investments in equity instruments other than above** - All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

- **Derivative assets** - All derivative assets are measured at fair value through profit and loss (FVTPL).





#### **De-recognition of financial assets**

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from assets have expired or the Company has transferred its rights to receive cash flows from the asset. Any gain or loss arising on derecognition is recognised in profit or loss. When a financial asset is derecognized, the cumulative gain or loss in equity is transferred to the statement of profit and loss.

#### **Financial liabilities**

##### **Subsequent measurement**

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortized cost using the effective interest method.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortization is included as finance costs in the Statement of Profit and Loss.

**Derivative liabilities** - All derivative liabilities are measured at fair value through profit and loss (FVTPL).

##### **De-recognition of financial liabilities**

The Company de-recognises financial liabilities when and only when, the Company obligations are discharged, cancelled or they expire. Any gain or loss arising on derecognition is recognised in profit or loss. When a financial liability is derecognized, the cumulative gain or loss in equity is transferred to the statement of profit and loss.

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

##### **Impairment of financial assets**

- The Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The Company computes ECL based on a provision matrix.

- **Other financial assets:**

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases





in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

#### l) Hedge accounting

##### Initial and subsequent measurement

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and non-derivative financial liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they continue to be highly effective throughout the financial reporting periods for which they are designated.

Any gains or losses arising from changes in the fair value of derivatives and change in foreign currency risk component of non-derivative financial liabilities are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in Other Comprehensive Income ("OCI") and later reclassified to profit or loss when the hedged item affects profit or loss. For the purpose of hedge accounting, hedges are classified as cash flow hedges where Company hedges its exposure to variability in cash flows that is attributable to foreign currency risk associated with recognized liabilities in the financial statements.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.



**Daawat Foods Limited**

**Summary of material accounting policies for the year ended March 31, 2025**

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction occurs, the cumulative gain or loss is taken to the statement of profit and loss. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

**m) Retirement and other employee benefits**

**Defined Contribution plan**

Retirement benefit in the form of provident fund, employees' state insurance and labour welfare fund are a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

**Defined benefit plans**

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognized directly in the other comprehensive income in the period in which they arise. Gratuity fund is administered through Canara HSBC Life Insurance and PNB MetLife India Insurance Company Limited.

**Other Employee Benefits**

Compensated absences which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date out of which the obligations are expected to be settled with actuarial valuations being carried out at each balance sheet date. Remeasurements, comprising actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to Statement of profit and loss in the period in which they occur. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

**Other short-term benefits**

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.



## Daawat Foods Limited

### Summary of material accounting policies for the year ended March 31, 2025

#### n) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognized as interest expense.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

#### o) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

#### p) Taxes

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax base used in computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

### q) Government grants and subsidies

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

### r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### Identification of segments:

In accordance with Ind AS 108- Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the whole time directors who have been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.





### Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

#### s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the financial statements.

#### v) Significant management judgement in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognized in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- a. **Impairment of trade receivables** - The impairment for trade receivables reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.
- b. **Defined benefit obligation (DBO)** - Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- c. **Evaluation of indicators for impairment of assets** - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- d. **Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.





**Daawat Foods Limited**

**Summary of material accounting policies for the year ended March 31, 2025**

- e. **Contingent liabilities** - The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.
- f. **Inventory** - The valuation of finished rice involves estimations around determination of overhead absorption rates, rice yield from paddy and quantum of purchased rice and manufactured rice forming part of closing inventory. The production process also involves ageing the paddy/ rice to achieve the desired quality of rice and thus calculation of holding period and determination of weighted average borrowing cost involves management estimation. Further, management estimates the net realisable values of inventories including by- products, taking into account the most reliable evidence available at each reporting date.



2

(i) Property, plant and equipment

Description	Freehold land	Leasehold land	Building	Plant and machinery	Furniture and fixture	Office equipment	Vehicle	Total
<b>Gross carrying value</b>								
As at April 01, 2023	1,175.08	639.04	5,059.86	20,022.00	44.25	222.07	1,144.52	28,306.82
Additions	142.00	-	1,556.76	4,806.94	14.22	21.70	36.12	6,577.74
Disposals	-	-	-	(46.09)	-	-	(38.30)	(84.39)
<b>As at March 31, 2024</b>	<b>1,317.08</b>	<b>639.04</b>	<b>6,616.62</b>	<b>24,782.85</b>	<b>58.47</b>	<b>243.77</b>	<b>1,142.34</b>	<b>34,800.17</b>
Additions	-	-	509.15	572.68	4.01	47.20	197.71	1,330.75
Disposals	-	(3.56)	-	(42.01)	-	-	(11.04)	(56.61)
<b>As at March 31, 2025</b>	<b>1,317.08</b>	<b>635.48</b>	<b>7,125.77</b>	<b>25,313.52</b>	<b>62.48</b>	<b>290.97</b>	<b>1,329.01</b>	<b>36,074.31</b>
<b>Accumulated depreciation</b>								
As at April 01, 2023	-	39.63	2,190.24	13,215.08	32.83	181.05	881.17	16,540.00
Charge for the year	-	7.96	219.39	1,493.26	3.17	18.01	74.78	1,816.57
Disposals	-	-	-	(38.68)	-	-	(36.36)	(75.04)
<b>As at March 31, 2024</b>	<b>-</b>	<b>47.59</b>	<b>2,409.63</b>	<b>14,669.66</b>	<b>36.00</b>	<b>199.06</b>	<b>919.59</b>	<b>18,281.53</b>
Charge for the year	-	-	247.01	2,346.73	5.44	26.45	109.64	2,735.27
Disposals	-	-	-	(1.08)	-	-	(9.55)	(10.63)
<b>As at March 31, 2025</b>	<b>-</b>	<b>47.59</b>	<b>2,656.64</b>	<b>17,015.31</b>	<b>41.44</b>	<b>225.51</b>	<b>1,019.68</b>	<b>21,006.17</b>
<b>Net carrying value</b>								
At March 31, 2024	1,317.08	591.45	4,206.99	10,113.19	22.47	44.71	222.75	16,518.64
At March 31, 2025	1,317.08	587.89	4,469.13	8,298.21	21.04	65.46	309.33	15,068.14

Contractual obligations

Refer note 39 (B) for disclosure of capital commitments for the acquisition of property, plant and equipment.

Property, plant and equipment pledged as security

Refer to Note 40 for information on property, plant and equipment pledged as security by the Company.

(ii) Capital work-in-progress ("CWIP")

Capital work-in-progress

As at	As at
March 31, 2025	March 31, 2024
2,257.51	588.90
<b>2,257.51</b>	<b>588.90</b>

Movement in capital work in progress:

Balance as at April 01, 2023

Add: Additions during the year

Less: Capitalisation during the year

Balance as at March 31, 2024 \*

Add: Additions during the year

Less: Capitalisation during the year

Balance as at March 31, 2025 \*

Amount  
828.48

(239.58)

**588.90**

1,923.05

(254.44)

**2,257.51**

\* Capital work-in-progress mainly comprises of building and plant and machinery.

CWIP as on March 31, 2025

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,922.70	299.25	16.07	19.49	2,257.51
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,922.70</b>	<b>299.25</b>	<b>16.07</b>	<b>19.49</b>	<b>2,257.51</b>

CWIP as on March 31, 2024

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	398.84	170.57	-	19.49	588.90
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>398.84</b>	<b>170.57</b>	<b>-</b>	<b>19.49</b>	<b>588.90</b>

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**DAAWAT FOODS LIMITED**  
**Notes to the financial statements for the year ended March 31, 2025**  
(All amounts are in ₹ lakhs unless otherwise stated)

(iii) **Right of use assets**

i) Following are the changes in the carrying value of Right of use assets for the year ended March 31, 2025

	As at March 31, 2025	As at March 31, 2024
Opening Balance	301.51	382.12
Addition	-	-
Depreciation	(80.39)	(80.61)
<b>Net carrying value</b>	<b>221.12</b>	<b>301.51</b>

The Company has lease for apartment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

ii) Nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

<b>Right to use</b>	<b>Apartment</b>
Number of right-of-use assets leased	1
Range of remaining lease term	33 months
Average of remaining lease term	33 months
No. of lease with extention options	-
No. of lease with options to purchase	-
No. of lease with variable payments linked to an index	-
No. of lease with termination option	1

**3 Other Intangible assets**

<b>Description</b>	<b>Software</b>
<b>Gross carrying value</b>	
As at April 01, 2023	59.87
Additions	-
Disposals	-
As at March 31, 2024	59.87
Additions	2.33
Disposals	-
As at March 31, 2025	62.20
<b>Accumulated amortization</b>	
As at April 01, 2023	52.97
Charge for the year	4.20
As at March 31, 2024	57.17
Charge for the year	2.13
As at March 31, 2025	59.30
<b>Net carrying value</b>	
At March 31, 2024	2.70
At March 31, 2025	2.90

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**DAAWAT FOODS LIMITED**

**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**4 Investments - Non current**

**Investments carried at cost**

In fellow subsidiary

As at March 31, 2025	As at March 31, 2024
84.15	84.15
<b>84.15</b>	<b>84.15</b>

**Investments at fair value through statement of Profit and Loss**

Keyman insurance policies

149.64	119.67
<b>149.64</b>	<b>119.67</b>

**Total**

<b>233.79</b>	<b>203.82</b>
---------------	---------------

**Aggregate amount of**

- Quoted investments
- Unquoted investments
- Impairment in the value of investment

-	-
84.15	84.15
-	-
<b>84.15</b>	<b>84.15</b>

**Total**

**Details of investment is as follows:**

**Investments carried at cost**

**Equity instruments - Unquoted**

i) in fellow subsidiary

169,918 (March 31, 2024: 169,918) fully paid equity shares of ₹ 10 each in Raghunath Agro Industries Private Limited

84.15	84.15
<b>84.15</b>	<b>84.15</b>
<b>84.15</b>	<b>84.15</b>

**Total**

**Investments at fair value through statement of profit and loss**

Key man insurance policies

149.64	119.67
<b>149.64</b>	<b>119.67</b>

**Total**

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**5 Other non-current financial assets**

Bank deposits with maturity of more than 12 months [refer footnote (a)]  
 Security deposits  
 Receivable from insurance company [refer footnote (b)]

	As at March 31, 2025	As at March 31, 2024
Bank deposits with maturity of more than 12 months [refer footnote (a)]	201.75	191.59
Security deposits	377.93	361.36
Receivable from insurance company [refer footnote (b)]	13,410.53	13,410.53
	<b>13,990.21</b>	<b>13,963.48</b>

**Footnote:**

a) ₹ 201.75 (March 31, 2024: ₹ 191.59) represents deposits with original maturity more than 12 months, held by the entity and are not available for use by the Company, as these are pledged.

b) The Company has insurance claim recoverable (classified into non-current assets) amounting to ₹ 13,410.53 lakhs as at March 31, 2025 (March 31, 2024: ₹ 13,410.53 lakhs). The claim was attributable to the loss of raw materials, incurred by the Company, due to a major fire which had occurred in the work premises of the Company in India in FY 2014-15. The Company had recognized the insurance claim recoverable (asset) amounting to ₹ 17,810.88 lakhs in FY 2014-15, based on the management's assessment of the loss amount and the positive outcome in the reports of the surveyors, then appointed by the Insurance Company. Later on, the Insurance Company repudiated the insurance claim vide its order dated February 4, 2016, against which the Company had filed a commercial suit with the Hon'ble District Court of Raipur, Bhopal ("District Court"). On the basis of developments in the commercial suit then, and basis the report of the surveyors which were received subsequent to the reports submitted by the surveyors initially appointed by the Insurance Company and which had formed the basis for the Company to initially recognize this claim, the Company had written off claim amounting to ₹ 4,400.25 lakhs during the FY 2015-16. During the year ended March 31, 2024, on December 22, 2023, the District Court passed a decree in favour of the Company in the commercial suit, and allowed the claim to the extent of ₹ 16,120.27 lakhs, considering the terms and conditions of the Insurance policy, along with interest thereon @6% p.a. with effect from the date of the fire incident which is estimated to be ₹ 12,293.59 lakhs by the Company. On February 23, 2024, the Company submitted an application for the execution of the judgement passed in its favor with the District Court claiming ₹ 28,413.86 lakhs (Principle amounting to ₹ 16,120.27 lakhs + Interest amounting to ₹ 12,293.59 lakhs). However, the Insurance Company had filed an appeal with the Hon'ble High Court of Madhya Pradesh ("High Court"); (i) Against the order of the District Court awarding claim to the Company and (ii) Stay Application on execution order of the District Court. Application on admissibility of appeal and Stay was heard by the High Court on May 31, 2024, basis which the Insurance Company's appeal was admitted but stay application on the amount directed to be deposited with the District Court was rejected. As per the High Court Order dated May 31, 2024, the Company is entitled to receive 50% of the amount without furnishing any security and the remaining amount may be withdrawn after furnishing the bank guarantee. Against the dismissal of Stay application by the High Court, the Insurance company had further filed an appeal with the Hon'ble Supreme Court, wherein the Hon'ble Supreme Court has dismissed the appeal vide order dated July 22, 2024, and directed that the charges for furnishing the bank guarantee by the Company is to be borne by the Insurance Company. On November 26, 2024, based on above, the District Court passed an order directing the Insurance Company to deposit the decretal amount within three weeks. Further, the Insurance company on December 13, 2024, went to the Hon'ble Supreme Court seeking clarification on its order dated July 22, 2024, regarding deposit of the decretal amount. The Hon'ble Supreme Court vide its order dated January 10, 2025, clarified that the entire amount along with interest is required to be deposited by the Insurance Company within two months from the date of order. Further, the amount can be withdrawn by the Company by furnishing a bank guarantee and the underlying charges for furnishing such guarantee will be borne equally by the Insurance Company and the Company. Further, as per order of Hon'ble Supreme Court, the Insurance Company deposited the amount of ₹ 26,503.50 lakhs (₹ 16,120.27 lakhs claim amount and ₹ 10,383.23 lakhs interest) on March 04, 2025, and entire amount has been released on April 08, 2025, to the Company against 100% bank guarantee which is valid till final disposal of the first appeal filed by the Insurance company at the High Court. Based on management's assessment of the facts of the case, including evaluation of the independent legal opinion obtained from the external legal counsel, the decree obtained in favour of the Company from the District Court as mentioned above and rejection of stay application by the High Court and the Hon'ble Supreme Court, the Company is confident about recovery of the amount and accordingly, the carrying value of ₹ 13,410.53 lakhs is considered appropriate and reasonable as at March 31, 2025 based on the Company's overall assessment in light of the applicable accounting guidance. Further, given the uncertainty at this stage where the hearing at High Court still pending, the utmost certainty about the recoverability of differential excess amount of ₹ 15,003.33 lakhs (Differential Principal ₹ 2,709.74 lakhs) and interest awarded (₹ 12,293.59 lakhs) compared to ₹ 13,410.53 lakhs recognised as stated above) will be established once the verdict is passed by the higher courts leaving no further course of appeal. Therefore, the Company's management are of the view that it is not appropriate to recognize the differential excess amount of ₹ 15,003.33 lakhs in the financial statements of the Company for the year ended March 31, 2025.

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6 Deferred tax assets (net)

As at  
March 31, 2025

As at  
March 31, 2024

On temporary difference between the book base and tax base

Deferred tax liabilities arising on account of

Key man insurance policy	(37.66)	(30.12)
Unrealised foreign exchange gain on forward contracts	(41.00)	-
Others	-	(5.24)
	<b>(78.66)</b>	<b>(35.36)</b>

Deferred tax assets arising on account of

Property, plant and equipment and intangible assets	224.36	71.24
Provision for employee benefits	64.07	62.90
Provision for doubtful debts	17.48	11.45
Unrealised foreign exchange loss on forward contracts	-	1.41
Others	3.50	-
	<b>309.41</b>	<b>147.00</b>

Deferred tax assets (net)

**230.75**

**111.64**

Particulars

	As at April 01, 2024	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at March 31, 2025
Deferred tax liabilities arising on account of				
Key man insurance policy	(30.12)	-	(7.54)	(37.66)
Unrealised foreign exchange gain on forward contracts	-	(41.00)	-	(41.00)
Others	(5.24)	-	5.24	-
	<b>(35.36)</b>	<b>(41.00)</b>	<b>(2.30)</b>	<b>(78.66)</b>
Deferred tax assets arising on account of				
Property, plant and equipment and intangible assets	71.24	-	153.12	224.36
Provision for employee benefits	62.90	(3.23)	4.40	64.07
Provision for doubtful debts	11.45	-	6.03	17.48
Unrealised foreign exchange loss on forward contracts	1.41	(1.41)	-	-
Others	-	-	3.50	3.50
	<b>147.00</b>	<b>(4.64)</b>	<b>167.05</b>	<b>309.41</b>
Deferred tax assets (net)	<b>111.64</b>	<b>(45.64)</b>	<b>164.75</b>	<b>230.75</b>

Particulars

	As at April 01, 2023	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at March 31, 2024
Deferred tax liabilities arising on account of				
Key man insurance policy	(18.69)	-	(11.43)	(30.12)
Unrealised foreign exchange gain on forward contract	(4.85)	4.85	-	-
Others	-	-	(5.24)	(5.24)
	<b>(23.54)</b>	<b>4.85</b>	<b>(16.67)</b>	<b>(35.36)</b>
Deferred tax assets arising on account of				
Property, plant and equipment and intangible assets	82.04	-	(10.80)	71.24
Provision for employee benefits	52.37	6.62	3.91	62.90
Provision for doubtful debts	11.45	-	-	11.45
Provision for interest on advance and others	122.17	-	(122.17)	-
Unrealised foreign exchange loss on forward contracts	-	1.41	-	1.41
	<b>268.03</b>	<b>8.03</b>	<b>(129.06)</b>	<b>147.00</b>
Deferred tax assets (net)	<b>244.49</b>	<b>12.88</b>	<b>(145.73)</b>	<b>111.64</b>

7 Other non-current assets

	As at March 31, 2025	As at March 31, 2024
Prepaid expenses	7.23	7.23
Capital advances (considered good - Unsecured)	246.41	76.61
	<b>253.64</b>	<b>83.84</b>

8 Non-current tax assets

	As at March 31, 2025	As at March 31, 2024
Income-tax asset [net of provision for tax ₹ 38.22]	374.62	361.34
	<b>374.62</b>	<b>361.34</b>

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**DAAWAT FOODS LIMITED**

**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**9 Inventories**

	As at March 31, 2025	As at March 31, 2024
Raw material** - (Refer Note (a) below)	76,079.15	59,769.26
Work-in-progress**	213.35	257.12
Semi-finished goods**	35,583.07	33,647.73
Finished goods (including goods in transit of ₹ 3,825.58 (March 31, 2024: ₹ 2,584.83))**	5,895.79	5,007.90
Stores and spares	187.22	239.77
Packing material		
Bardana	2,556.48	1,874.54
Others	983.32	758.42
	<b>1,21,498.38</b>	<b>1,01,554.74</b>

\*\*The interest capitalised as at March 31, 2025 is ₹ 1,250.05 (March 31, 2024: ₹ 1,118.57).

Note (a): Includes Inventory lying with third parties ("Suppliers") on behalf of the Company amounting to ₹42,711.04 (March 31, 2024: ₹ 44,956.36) under agency relationship against which the Company has paid advance amounting to ₹ 9,210.71 (March 31, 2024: ₹10,585.20) and remaining amount of ₹ 33,500.33 (March 31, 2024: ₹ 34,371.16) is classified under trade payables as at March 31, 2025.

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## 10 Trade receivables

	As at March 31, 2025	As at March 31, 2024
Trade receivables*	6,402.92	3,767.55
Less: Provision for impairment of trade receivables	(69.43)	(45.44)
	<u>6,333.49</u>	<u>3,722.11</u>

	As at March 31, 2025	As at March 31, 2024
Break-up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	6,333.49	3,722.11
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	69.43	45.44
Total	<u>6,402.92</u>	<u>3,767.55</u>
Less: Provision for impairment of trade receivables	<u>(69.43)</u>	<u>(45.44)</u>
Total trade receivables	<u>6,333.49</u>	<u>3,722.11</u>

The Company's exposure to customers is diversified and no single customer other than related parties, contributes more than 10% of the outstanding receivables as at March 31, 2025. As at March 31, 2024, five customers other than related parties, contributed more than 10% of the outstanding receivables amounting to ₹ 3,238.76.

Note: No trade receivables are due from directors or other officers of the Company either severally or jointly with any other persons or from the companies in which Directors hold directorship other than below:

\* Includes amounts due from related parties (Refer note 45):

LT Foods Middle East DMCC	648.33	-
LT Foods Europe B.V.	4,509.86	-
LT Foods UK Limited	250.54	-
Deva Singh Shyam Singh Export Private Limited	49.87	83.73
Kameda LT Foods (India) Private Limited (Formerly known as Daawat Kameda (India) Private Limited)	3.00	39.69
Ecopure Specialities Limited	9.66	-
Oswal Woollen Mills Limited	27.01	20.07

## Ageing of Trade Receivables

As at March 31, 2025

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	6,092.67	188.24	40.74	1.89	7.13	2.82	6,333.49
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	69.43	69.43
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	-	-	(69.43)	(69.43)
	-	<u>6,092.67</u>	<u>188.24</u>	<u>40.74</u>	<u>1.89</u>	<u>7.13</u>	<u>2.82</u>	<u>6,333.49</u>

As at March 31, 2024

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	3,398.09	249.63	2.55	3.94	-	36.90	3,691.11
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	3.94	0.31	2.76	7.01
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	31.00	31.00
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	38.43	38.43
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	(3.94)	(0.31)	(41.19)	(45.44)
	-	<u>3,398.09</u>	<u>249.63</u>	<u>2.55</u>	<u>3.94</u>	-	<u>67.90</u>	<u>3,722.11</u>

Refer note 43: For expected credit loss

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**DAAWAT FOODS LIMITED**

**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**11 Cash and cash equivalents**

**Balances with banks**

- on current account

- on deposit account with maturity of less than 3 months at balance sheet date

Cash on hand

In Indian currency

As at March 31, 2025	As at March 31, 2024
399.30	323.72
21.63	5.00
0.17	0.17
<b>421.10</b>	<b>328.89</b>

**12 Bank balances other than cash and cash equivalent**

Deposits with original maturity more than 3 months and less than 12 months at balance sheet date \*

Unspent CSR account

As at March 31, 2025	As at March 31, 2024
51.74	-
10.00	-
<b>61.74</b>	<b>-</b>

\* ₹ 51.74 (March 31, 2024: Nil ) represents deposits with maturity more than 3 months but less than 12 months as at year end, held by the entity and are not available for use by the Company, as these are pledged.

**13 Other current financial assets**

Derivative assets - forward contracts

Export incentive recoverable

Others

As at March 31, 2025	As at March 31, 2024
162.91	-
175.23	329.43
146.62	138.86
<b>484.76</b>	<b>468.29</b>

**14 Other current assets**

Prepaid expenses

Balances with government authorities

Advance to suppliers

Staff advance

As at March 31, 2025	As at March 31, 2024
1,028.42	1,492.47
899.58	967.11
115.67	271.09
5.34	1.92
<b>2,049.01</b>	<b>2,732.59</b>

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**DAAWAT FOODS LIMITED**

Notes to the financial statements for the year ended March 31, 2025  
(All amounts are in ₹ lakhs unless otherwise stated)

**15 Share capital**

	As at March 31, 2025	As at March 31, 2024
<b>Authorised share capital</b>		
2,45,00,000 (March 31, 2024: 2,45,00,000) Equity shares of ₹ 10 each (March 31, 2024: ₹ 10 each)	2,450.00	2,450.00
16,00,000 (March 31, 2024: 16,00,000) Preference shares of ₹ 10 each (March 31, 2024: ₹ 10 each)	160.00	160.00
<b>Issued, subscribed and fully paid-up equity shares</b>		
- 1,89,05,291 Ordinary equity shares of ₹ 10 each (March 31, 2024: ₹ 10 each)	1,890.53	1,890.53
- 2,50,050 Non voting equity shares of ₹ 10 each (March 31, 2024: ₹ 10 each)	25.00	25.00
	<b>1,915.53</b>	<b>1,915.53</b>

(a) There is no movement in equity share capital during the current year and previous year.

(b) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2025		As at March 31, 2024	
Particulars	No.	% holding	No.	% holding
- Ordinary equity shares of ₹ 10 each (March 31, 2023: ₹ 10 each)				
LT Foods Limited (the Holding Company)	1,89,05,285	100%	1,89,05,285	100.00%
- Non-voting equity shares of ₹ 10 each (March 31, 2023: ₹ 10 each)				
LT Foods Limited (the Holding Company)	2,50,050	100%	2,50,050	100%

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(c) Shareholding of the promoters

Name of shareholder	No of Shares as at March 31, 2025	% of holding	% Change during the year	No of Shares as at March 31, 2024	% of holding	% Change during the year
<b>Ordinary Equity Shares</b>						
LT Foods Limited	1,89,05,285	100.00%	0.00%	1,89,05,285	100.00%	0.00%
Ranju Arora	1	0.00%	0.00%	1	0.00%	0.00%
Vandana Arora	1	0.00%	0.00%	1	0.00%	0.00%
Ashwani Arora	1	0.00%	0.00%	1	0.00%	0.00%
Surinder Arora	1	0.00%	0.00%	1	0.00%	0.00%
Vijay Kumar Arora	1	0.00%	0.00%	1	0.00%	0.00%
Ashok Kumar Arora	1	0.00%	0.00%	1	0.00%	0.00%
	<b>1,89,05,291</b>	<b>100.00%</b>	<b>0.00%</b>	<b>1,89,05,291</b>	<b>100.00%</b>	<b>0.00%</b>
<b>Non-voting Equity Shares</b>						
LT Foods Limited	2,50,050	100.00%	0.00%	2,50,050	100.00%	0.00%
<b>Total</b>	<b>2,50,050</b>	<b>100.00%</b>	<b>0.00%</b>	<b>2,50,050</b>	<b>100.00%</b>	<b>0.00%</b>

(d) Shareholding structure

	As at March 31, 2025		As at March 31, 2024	
Particulars	No.	Amount	No.	Amount
Shares held by the holding company				
Ordinary Equity shares of ₹ 10 each				
LT Foods Limited (the Holding company)	1,89,05,285	1,890.53	1,89,05,285	1,890.53
Non Voting Equity shares of ₹ 10 each				
LT Foods Limited (the Holding company)	2,50,050	25.01	2,50,050	25.01

(e) The Company has not issued any equity shares pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last five years.

(f) Terms and rights attached to voting and non-voting equity shares

The Company has two class of equity shares, voting and non-voting, having a par value of ₹ 10 per share. Each holder of voting equity shares is entitled to one vote per share. Non-voting equity holder is not entitled to vote. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



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**DAAWAT FOODS LIMITED**

**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**16 Other equity**

	As at March 31, 2025	As at March 31, 2024
<b>A) Equity component of Non cumulative redeemable preference shares</b>		
Opening balance	524.03	524.03
Change during the year	-	-
<b>Closing balance*</b>	<u>524.03</u>	<u>524.03</u>

\* This note covers the equity component of the issued Non cumulative redeemable preference shares. The liability component is reflected in note 17. Also, refer note 17 (C)

**B) Retained Earnings and Other Reserves**

	As at March 31, 2025	As at March 31, 2024
<b>(i) Retained earnings</b>		
Opening balance	51,800.48	41,236.83
Add: Profit for the year	13,505.01	10,583.34
- Remeasurements of post-employment benefits obligation (net of taxes)	9.60	(19.69)
<b>Closing balance</b>	<u>65,315.09</u>	<u>51,800.48</u>
<b>(ii) General reserve</b>		
Opening balance	223.68	223.68
Change during the year	-	-
<b>Closing balance</b>	<u>223.68</u>	<u>223.68</u>
<b>(iii) Securities premium reserve</b>		
Opening balance	1,725.51	1,725.51
Change during the year	-	-
<b>Closing balance</b>	<u>1,725.51</u>	<u>1,725.51</u>
<b>(iv) Cash flow hedging reserve</b>		
Opening balance	(5.19)	(12.94)
Change during the year	114.67	7.75
<b>Closing balance</b>	<u>109.48</u>	<u>(5.19)</u>
<b>Total other equity (A+B)</b>	<u>67,897.79</u>	<u>54,268.51</u>

**Nature and purpose of other reserves**

**Retained earnings:**

Retained earnings are the profits that Company has earned till date less transfers to general reserve dividends or other distributions paid to shareholders. It includes remeasurement gain / (loss) on defined benefit obligation (net of taxes) that will not be reclassified to the statement of profit and loss.

**General reserve:**

The Company had transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of the Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

**Securities premium reserve:**

Securities premium reserve represents premium received on issue of shares. The reserve is to be utilized in accordance with the provisions of the Companies Act, 2013.

**Cash flow hedging reserve**

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

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**DAAWAT FOODS LIMITED**

**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**17 Long - term borrowings**

	As at March 31, 2025	As at March 31, 2024
<b>Secured loans</b>		
From banks		
Vehicle loans	-	7.76
<b>Unsecured loans</b>		
Liability component of compound financial instrument:-	1,532.61	1,519.83
- 10% Non-cumulative redeemable preference shares (refer note C below)	<u>1,532.61</u>	<u>1,527.59</u>

The details of financial and non financial assets pledged as security for current borrowings disclosed in Note 40.

Details of long term borrowings are as follows:

Name of the bank and financial institution	Repayments	Total amount of installment	As at March 31, 2025	As at March 31, 2024
<b>a) Vehicle loans</b>				
(refer note A part (i) for interest rate and note B part (i) for security)				
ICICI BANK	42 equal monthly instalments	1.97	7.81	29.90
			<u>7.81</u>	<u>29.90</u>
Current maturities of long- term borrowings (Refer note 21)			207.81	222.14

**A. Details of interest rate for each type of borrowings**

- i. The interest on above vehicle loans from ICICI Bank Limited are fixed in nature. As of March 31, 2025, the interest rate is 8.10 % per annum (March 31, 2024: 8.10 % per annum).

**B. Details of security for each type of borrowing :**

- i. Vehicle Loans from ICICI Bank Limited are secured against hypothecation of respective motor vehicle financed.

C. On March 28, 2019, the Company issued non-cumulative redeemable preference shares 1,562,500 of face value ₹ 10 each fully paid up to LT Foods Limited ('the Holding Company') at a premium of ₹ 118 per share carrying a coupon rate of 10%, for an aggregate sum of ₹ 2,000.00 redeemable at the expiry of 8 years. During the previous year, with effect from April 1, 2019 the Company and the holding company have revised the agreement to extend the tenure from 8 years to 19 years. Given this is a significant modification in the tenure and conditions, the Company has evaluated the accounting treatment and considered this as extinguishment of prior agreement and entering into a fresh agreement. These preference shares are redeemable on the completion of 19 years from the date of issuance. Such instrument is considered as compound financial instrument as per Ind AS 32 'Financial Instruments : Presentation' and Ind AS 109 'Financial Instruments' with a component of debt and equity. Above amount represents debt component of the instrument. The equity component of the instrument amounting to ₹ 524.03 is reflected in Note 16(A), being excess of transaction value ₹ 2,000.00 and present value of future cash flows in accordance with the contractual terms and conditions considering the nature of instrument as unsecured. The Company has used 14% per annum as discount rate for calculating the present value of contractual cash flows.

**Movement in redeemable preference shares during the year is as follows:**

	As at March 31, 2025	As at March 31, 2024
Carrying amount of liability at the beginning of the year	1,519.83	1,508.62
Accrued interest	212.78	211.21
Dividend paid	(200.00)	(200.00)
Carrying amount of liability at the end of the year	<u>1,532.61</u>	<u>1,519.83</u>



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## DAAWAT FOODS LIMITED

## Notes to the financial statements for the year ended March 31, 2025

(All amounts are in ₹ lakhs unless otherwise stated)

## D. Reconciliation of liabilities arising from financing activities.

The change in Company's liabilities arising from financing activities can be classified as follows:

Particulars	Long term borrowings	Short term borrowings*	Lease Liability	Total
Net debt as at April 1, 2024	1,530.96	14,861.42	312.30	16,704.68
Cash movement:				
- Proceeds from Long term borrowings	1,201.79	-	-	1,201.79
- Repayment of long term borrowings	(1,212.92)	(10.96)	-	(1,223.88)
- Repayment of short term borrowings (net)	-	(1,810.32)	-	(1,810.32)
- Payment towards lease liabilities	-	-	(90.00)	(90.00)
- Interest paid	(29.82)	(2,179.30)	-	(2,209.12)
- Dividend paid on redeemable preference shares	(200.00)	-	-	(200.00)
Non Cash movement:				
- Interest expenses	242.60	2,179.30	22.56	2,444.46
- Impact of change in foreign exchange rate	-	20.41	-	20.41
Net debt as at March 31, 2025	1,532.61	13,060.55	244.86	14,838.02

\* Including current maturities of long term borrowings.

Particulars	Long term borrowings	Short term borrowings*	Lease Liability	Total
Net debt as at April 1, 2023	1,540.09	19,378.24	374.51	21,292.84
Cash movement:				
- Repayment of long term borrowings	(20.34)	-	-	(20.34)
- Repayment of short term borrowings (net)	-	(4,518.87)	-	(4,518.87)
- Payment towards lease liabilities	-	-	(90.00)	(90.00)
- Interest paid	211.21	(2,345.18)	-	(2,133.97)
- Dividend paid on redeemable preference shares	(200.00)	-	-	(200.00)
Non Cash movement:				
- Interest expenses	-	2,345.18	27.79	2,372.97
- Impact of change in foreign exchange rate	-	2.05	-	2.05
Net debt as at March 31, 2024	1,530.96	14,861.42	312.30	16,704.68

\* Including current maturities of long term borrowings.

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**DAAWAT FOODS LIMITED**
**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**18 Lease liabilities**

As at March 31, 2025	As at March 31, 2024
168.42	244.86
<b>168.42</b>	<b>244.86</b>

Lease liabilities (refer note 2(iii))

**i) The following is the break-up of current and non-current lease liabilities:**

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liabilities	76.44	67.44
Non-current lease liabilities	168.42	244.86
<b>Total</b>	<b>244.86</b>	<b>312.30</b>

**The following is the movement in lease liabilities:**

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	312.30	374.51
Add: Additions	-	-
Add: Finance cost accrued during the year	22.56	27.79
Less: Payment towards lease liabilities	(90.00)	(90.00)
<b>Balance at the end of the year</b>	<b>244.86</b>	<b>312.30</b>

**ii) The following are amounts recognised in profit or loss:**

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation expense of right-of-use assets	80.39	80.61
Interest expense on lease liabilities	22.56	27.79

**iii) Total cash outflow for leases for the year ended March 31, 2025 was ₹ 90.00 ( March 31, 2024 : ₹ 90.00).**
**iv) Also, refer Note 2(iii) for the details of assets leased.**
**19 Long-term provisions**

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits (Refer note 41)		
Provision for gratuity	123.14	86.65
Provision for compensated absence	66.15	53.01
	<b>189.29</b>	<b>139.66</b>

**20 Other non-current liabilities**

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred government grant (Refer note 47)	-	3.29
	<b>-</b>	<b>3.29</b>

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**DAAWAT FOODS LIMITED**

**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**21 Short-term borrowings**

**Secured**

From banks

Rupee working capital loans

Current maturities of long term borrowings

Packing credit foreign currency loans

Foreign currency loans

**Unsecured**

From others

Current maturities of long term borrowings (Refer Note 17)

As at March 31, 2025	As at March 31, 2024
11,667.93	11,568.31
7.81	22.14
1,184.81	3,074.34
200.00	200.00
<b>13,060.55</b>	<b>14,864.79</b>

**Particulars**

As at March 31, 2025	As at March 31, 2024
-------------------------	-------------------------

**a) Rupee working capital loans**

The rupee working capital loans are secured by 1st pari passu charge with other banks in consortium on reciprocal basis on the entire current assets (present & future) of the Company and 2nd pari passu charge with other banks in consortium on the fixed assets (present & future) of the Company. These are further secured by personal guarantees of directors and corporate guarantee of the holding company.

The rupee working capital loans are repayable on demand and interest on the above loans from banks in consortium are linked to the respective bank base rates/ MCLR which are floating in nature. The interest rate ranges from 7.29% to 8.75% per annum (March 31, 2024: 7.40% to 9.20% per annum) on rupee working capital loans.

**b) Packing credit foreign currency loans**

The packing credit foreign currency loans are secured by 1st pari passu charge with other banks in consortium on reciprocal basis on the entire current assets (present & future) of the Company and 2nd pari passu charge with other banks in consortium on the fixed assets (present & future) of the Company. These are further secured by personal guarantees of directors and corporate guarantee of the holding company.

The interest rate ranges from SOFR + 91 Basis Points to SOFR + 95 Basis Points (March 31, 2024: SOFR + 85 Basis Points to SOFR + 90 Basis Points).

11,667.93 11,568.31

1,184.81 3,074.34

**12,852.74 14,642.65**

The details of financial and non financial assets pledged as security for current borrowings disclosed in Note 40.

**22 Lease liabilities**

Lease liabilities (Refer note 18)

As at March 31, 2025	As at March 31, 2024
76.44	67.44
<b>76.44</b>	<b>67.44</b>



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23 Trade payables

	As at March 31, 2025	As at March 31, 2024
- total outstanding dues of micro enterprises and small enterprises	17,842.65	823.28
- total outstanding dues to other than micro enterprises and small enterprises*	46,978.39	55,852.04
	<b>64,821.04</b>	<b>56,675.32</b>

\* Includes payable to related parties (Refer note 45)

Super Taxfab Private Limited	369.09	674.87
Sara Flexi Pack LLP	84.73	-

a) Due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent information available with the management is given below:-

Particulars	As at March 31, 2025	As at March 31, 2024
i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
- Principal amount remaining unpaid	17,842.65	823.28
- Interest accrued and remaining unpaid as at year end	0.62	9.09
ii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act.	-	-
iii) Amount paid to the suppliers beyond the respective due date.	44.21	199.04
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	0.48	0.64
v) Amount of interest accrued and remaining unpaid at the end of accounting year.	1.10	9.73
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	13.36	12.26

As at March 31, 2025

Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(1) MSME	-	6,166.97	11,675.59	0.09	-	-	17,842.65
(2) Disputed dues - MSME	-	-	-	-	-	-	-
(3) Others	-	45,568.97	1,349.68	42.69	7.70	9.35	46,978.39
(4) Disputed dues - Others	-	-	-	-	-	-	-
	-	<b>51,735.94</b>	<b>13,025.27</b>	<b>42.78</b>	<b>7.70</b>	<b>9.35</b>	<b>64,821.04</b>

As at March 31, 2024

Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(1) MSME	-	802.64	20.64	-	-	-	823.28
(2) Disputed dues - MSME	-	-	-	-	-	-	-
(3) Others	-	55,661.43	146.90	17.92	0.18	25.61	55,852.04
(4) Disputed dues - Others	-	-	-	-	-	-	-
	-	<b>56,464.07</b>	<b>167.54</b>	<b>17.92</b>	<b>0.18</b>	<b>25.61</b>	<b>56,675.32</b>

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**DAAWAT FOODS LIMITED**

**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**24 Other financial liabilities**

Derivative liabilities - forward contracts  
Security deposit  
Payable for property, plant and equipment  
Other liabilities

As at March 31, 2025	As at March 31, 2024
-	5.62
11.57	11.57
385.97	-
1,522.25	1,174.14
<b>1,919.79</b>	<b>1,191.33</b>

**25 Other current liabilities**

Advances from customers\*  
Statutory liabilities  
Liability towards corporate social responsibility  
Deferred government grant (Refer note 47)  
Other liabilities

As at March 31, 2025	As at March 31, 2024
10,515.27	9,710.70
117.43	136.94
52.00	10.00
-	2.06
-	2.20
<b>10,684.70</b>	<b>9,861.90</b>

\* includes advance received from related parties (Refer note 45)

LT Foods Limited	2,214.59	1,749.14
LT Foods America Inc.	8,236.78	7,678.34
Nature Bio Foods Limited	18.84	55.97
Raghunath Agro Industries Private Limited	-	8.21
LT Foods Europe B.V.	-	205.93

**26 Short- term provisions**

Provision for employee benefits (Refer note 41)  
Provision for compensated absences

As at March 31, 2025	As at March 31, 2024
40.19	35.86
<b>40.19</b>	<b>35.86</b>

**27 Current tax liabilities**

Provision for tax [net of advance tax ₹ 3,835 ]

As at March 31, 2025	As at March 31, 2024
1,174.81	146.41
<b>1,174.81</b>	<b>146.41</b>

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**DAAWAT FOODS LIMITED****Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**28 Revenue from operations**

	Year ended March 31, 2025	Year ended March 31, 2024
<b>Sale of products *</b>		
Export	1,09,852.29	67,366.60
Domestic	68,195.85	84,184.68
<b>Sale of traded goods *</b>		
Export	-	487.81
Domestic	-	350.61
<b>Other operating revenue</b>		
Processing charges	1,881.75	1,528.08
Export Incentive	965.91	625.29
Government grant income (Refer note 47)	1,088.35	517.16
	<b>1,81,984.15</b>	<b>1,55,060.23</b>

\* Refer note 52 for disaggregation of revenue from operations.

**29 Other income**

	Year ended March 31, 2025	Year ended March 31, 2024
Rental income *	18.15	18.15
Profit on sale of property, plant and equipment (net)	8.59	25.22
Interest on bank fixed deposits and others	40.11	47.61
Income from fleet lease	77.55	86.30
Net gain on foreign currency transactions and translations	52.69	-
Miscellaneous income	11.22	29.44
	<b>208.31</b>	<b>206.72</b>

\* The Company has entered into rent agreements as a lessor for area of premises owned by the Company, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2025 and March 31, 2024 was ₹ 18.15 and ₹ 18.15 respectively. The Company has not executed any non-cancellable operating leases.

**30 Cost of material consumed**

	Year ended March 31, 2025	Year ended March 31, 2024
<b>Opening stock</b>		
Raw Material	14,812.89	21,674.43
Bardana	1,874.54	836.97
Packing material	758.42	671.14
	<b>17,445.85</b>	<b>23,182.54</b>
<b>Add: purchases</b>		
Raw Material	1,05,098.06	89,852.51
Bardana	1,127.09	1,176.05
Rice	45,400.56	32,548.05
Packing material	7,180.35	5,728.08
Other	68.25	276.15
	<b>1,58,874.31</b>	<b>1,29,580.84</b>
<b>Less: closing stock</b>		
Raw Material	33,368.11	14,812.90
Bardana	2,556.48	1,874.54
Packing material	983.32	758.42
	<b>36,907.91</b>	<b>17,445.86</b>
<b>Total</b>	<b>1,39,412.25</b>	<b>1,35,317.52</b>

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**DAAWAT FOODS LIMITED****Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ in lakhs unless otherwise stated)

**Consumption details**

Raw Material	86,542.84	96,714.04
Bardana	445.15	138.48
Rice	45,400.56	32,548.05
Packing material	6,955.45	5,640.80
Other	68.25	276.15
	<b>1,39,412.25</b>	<b>1,35,317.52</b>

**31 Purchases of stock-in-trade**

	Year ended March 31, 2025	Year ended March 31, 2024
Rice	-	791.41
	<b>-</b>	<b>791.41</b>

**32 Changes in inventories of finished goods, semi finished goods, work-in-progress and stock in trade**

	Year ended March 31, 2025	Year ended March 31, 2024
<b>Opening Stock</b>		
Semi-finished goods	33,647.73	15,532.00
Finished goods	5,007.91	8,621.44
Work-in-progress	257.12	279.58
<b>Closing stock</b>		
Semi-finished goods	35,583.07	33,647.73
Finished goods	5,895.79	5,007.90
Work-in-progress	213.35	257.12
<b>(Increase)/Decrease</b>	<b>(2,779.45)</b>	<b>(14,479.73)</b>

**33 Employee benefit expense**

	Year ended March 31, 2025	Year ended March 31, 2024
Salaries, wages and bonus	2,617.81	2,352.87
Contribution to provident and other fund *	93.41	92.14
Gratuity expense *	49.32	41.70
Staff welfare expenses	232.70	219.69
	<b>2,993.24</b>	<b>2,706.40</b>

\* For descriptive notes on disclosure of defined benefit obligation, refer note 41 - Employee benefit obligations.

**34 Finance costs**

	Year ended March 31, 2025	Year ended March 31, 2024
Interest on :-		
Working capital loans	1,690.23	1,633.34
Term loans	29.82	3.33
Lease Liability	22.56	27.79
Delay in payment of statutory liabilities	74.90	8.29
	<b>1,817.51</b>	<b>1,672.75</b>
Other borrowing costs*	626.95	728.01
	<b>2,444.46</b>	<b>2,400.76</b>

\*This amount includes interest amounting to ₹ 212.78 provided on redeemable preference shares during the year (March 31, 2024 - ₹ 211.21).

**Note:** The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 7.97% p.a. (March 31, 2024 - 8.17% p.a.). Also, refer note 9.

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**DAAWAT FOODS LIMITED****Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ in lakhs unless otherwise stated)

**35 Depreciation and amortization expenses**

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation of property, plant and equipment	2,735.27	1,816.57
Depreciation of right of use assets	80.39	80.61
Amortization of intangible assets	2.13	4.20
	<b>2,817.79</b>	<b>1,901.38</b>

**36 Other expenses**

	Year ended March 31, 2025	Year ended March 31, 2024
Rent (refer footnote A)	293.16	215.11
Wages and other manufacturing expenses	641.35	444.15
Power and fuel	1,704.41	1,488.22
Security services	226.59	190.13
Packing expenses	431.29	395.93
Repairs & Maintenance Charges		
- Plant and machinery	161.19	141.74
- Building	105.19	92.64
- Others	96.29	44.88
Stores and spares consumed	1,322.45	1,263.49
Insurance expenses	197.80	213.56
Legal and professional charges	631.62	470.00
Rates and taxes	202.29	188.83
Donation and charity	4.08	123.16
Corporate social responsibility expense (refer footnote B)	212.00	164.00
Directors' sitting fees	7.60	10.20
Auditors' remuneration (refer footnote C)	12.50	12.50
Vehicle running and maintenance	40.07	26.85
Travelling and conveyance	112.85	130.94
Commission to selling agents	21.95	61.17
Clearing, forwarding and freight charges	11,848.93	5,170.86
Freight Outward	299.52	500.34
Net loss on foreign currency transactions and translations	-	750.34
Sales promotion expenses	117.20	1.33
Business promotion expenses	28.17	12.39
Provision for doubtful debts	23.99	-
Other administrative expenses	309.60	296.04
	<b>19,052.09</b>	<b>12,408.80</b>

**Footnote:**

- A. The Company has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of short-term leases. These leases has been accounted for applying Paragraph 6 of Ind AS 116 - Leases and accordingly recorded as an expense amounting to ₹ 293.16 and ₹ 215.11 for the year ended March 31, 2025 and March 31, 2024 respectively.



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**DAAWAT FOODS LIMITED**

Notes to the financial statements for the year ended March 31, 2025

(All amounts are in ₹ in lakhs unless otherwise stated)

**B. Corporate social responsibility ('CSR') expenses**

	Year ended March 31, 2025	Year ended March 31, 2024
Total CSR expense spent during the year	170.00	154.00
Accrual towards unspent obligation in relation to ongoing projects *	42.00	10.00
<b>Amount recognised in the statement of profit and loss</b>	<b>212.00</b>	<b>164.00</b>
i Gross Amount required to be spent as per Section 135 of the Act	212.00	162.56
ii Amount approved by the Board to be spent during the year	222.00	164.00
iii Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	170.00	154.00
Amount transferred to unspent CSR account *	42.00	10.00
Excess at the end of the year	-	1.44

\* The unspent CSR amount has been transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with CSR Amendment Rules on April 30, 2025 and on April 30, 2024 for the financial year 2024-25 and 2023-24 respectively.

**Notes:**

The Company contributes to LT Foundation, society registered under Societies Regd. Act XXI of 1860 and an entity in which key managerial person has significant influence under common control to undertake CSR activities. LT Foundation undertakes various social activities as per approved CSR policy which includes expenditure on village adoption & rural development, malnutrition, Foundational literacy and numeracy enhancement, promoting education and sanitation. For the year ended March 31, 2025 expenditure incurred towards these activities by LT Foundation is INR 170.00 lakhs (March 31, 2024: 154.00 lakhs).

**Status of Unspent CSR Account is as below :-**

Balance at the beginning of the year  
Add: Amount transferred to Separate Unspent CSR Account \*\*  
Less: Spent during the year  
**Balance at the end of the year**

Year ended March 31, 2025	Year ended March 31, 2024
-	-
10.00	-
-	-
<b>10.00</b>	<b>-</b>

\*\* Represents amount relating to CSR liability transferred to Separate Unspent CSR Account during the year.

**Summary of Corporate Social Responsibility expense payable**

	Year ended March 31, 2025	Year ended March 31, 2024
CSR expense payable at the beginning of the year	10.00	-
Add: Current year expense (including excess spent)	212.00	164.00
Less: Amount spent during the year against FY 2024-25 liability	(170.00)	(154.00)
<b>CSR expense payable at the end of the year (refer to note no. 25)</b>	<b>52.00</b>	<b>10.00</b>

**C. Auditors' remuneration (exclusive of applicable goods and service tax)**

	Year ended March 31, 2025	Year ended March 31, 2024
Statutory audit (including fees for quarterly reviews)	12.50	12.50
	<b>12.50</b>	<b>12.50</b>

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**DAAWAT FOODS LIMITED****Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**37 Tax expense**

The income tax expenses (recognised in Statement of Profit and Loss) consists of the following :

Current tax expenses for the current year

Current tax expenses pertaining to prior years

**Deferred tax expenses**

Deferred tax credit / (expense) for the current year

**Total tax expense**

Year ended March 31, 2025	Year ended March 31, 2024
4,870.94	3,551.71
40.88	(54.04)
<b>4,911.82</b>	<b>3,497.67</b>
(164.75)	139.40
<b>(164.75)</b>	<b>139.40</b>
<b>4,747.07</b>	<b>3,637.07</b>

The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

Profit before income taxes

At country's statutory income tax rate of 25.168% (March 31, 2024: 25.168%)

**Adjustments in respect of current income tax**

Expenses disallowable under the Income tax act

Tax pertaining to prior years

Others

**Total tax expense**

Year ended March 31, 2025	Year ended March 31, 2024
18,252.08	14,220.41
4,593.68	3,578.99
121.99	122.66
40.88	(54.04)
(9.47)	(10.54)
<b>4,747.08</b>	<b>3,637.07</b>

**38 Earnings per share**

Profit attributable to ordinary equity shareholders (1,89,05,291 Equity Shares @ Rs. 10 each)

Numbers of weighted average equity share outstanding at the year end for Basic &amp; Diluted EPS

Nominal value per share

**Earnings per ordinary equity share**

Basic &amp; Diluted

Year ended March 31, 2025	Year ended March 31, 2024
<b>13,328.73</b>	<b>10,445.19</b>
1,89,05,291	1,89,05,291
10.00	10.00
<b>70.50</b>	<b>55.25</b>

Profit attributable to non voting equity shareholders (2,50,050 Equity Shares @ Rs. 10 each)

Numbers of weighted average equity share outstanding at the year end for Basic &amp; Diluted EPS

Nominal value per share

**Earnings per non voting equity share**

Basic &amp; Diluted

Year ended March 31, 2025	Year ended March 31, 2024
<b>176.29</b>	<b>138.15</b>
2,50,050	2,50,050
10.00	10.00
<b>70.50</b>	<b>55.25</b>

Note: There are no potential equity shares in the Company.

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**DAAWAT FOODS LIMITED****Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ in lakhs unless otherwise stated)

**39 Contingencies and other commitments:****(A) Contingent liabilities**

	As at March 31, 2025	As at March 31, 2024
I Income-tax demands (refer footnote)	828.58	827.60
II Bank Guarantees	100.00	100.54
III Duty saved under EPCG Licenses [export obligation outstanding ₹ 1,245.52 (March 31, 2024: ₹ 1,588.36)]	207.59	264.73
<b>Total</b>	<b>1,136.17</b>	<b>1,192.87</b>

**Footnote:**

- a. The Company had an appeal for assessment year 2009-10 amounting to ₹ 59.57 (March 31, 2024: ₹ 59.57), against which the Appellate Authority has passed an order in favour of the Company. However, the appeal effect is yet to be processed by the Ld. Assessing Officer.
- b. The Company during the financial year 2021-22, has received demands under section 143(3) of the Income Tax Act for the assessment years 2017-18 and 2018-19 amounting to ₹ 682.82 and ₹ 80.26 respectively, (March 31, 2024: ₹ 682.82 and ₹ 80.26) against which appeals before the Commissioner of Income Tax (CIT) (Appeals) have been filed. The outcome of such appeals is pending.
- c. The Company during the financial year 2023-24 has received a demand order of ₹ 208.35 for assessment year 2020-21 under section 143(3) which is subject to potential rectification under section 154 of the Income Tax Act. Post such rectification, the Company anticipates that the demand shall be ₹ 4.86 (March 31, 2024: ₹ 4.86). Currently, the Company has filed an appeal before the Commissioner of Income Tax (CIT) (Appeals). The outcome of such appeal is pending.
- d. The Company during the financial year 2023-24, has received demand under section 143(3) of the Income Tax Act for the assessment year 2021-22 amounting to ₹ 0.09 (March 31, 2024: ₹ 0.09) against which an appeal before the Commissioner of Income Tax (CIT) (Appeals) has been filed. The outcome of such appeal is pending.
- e. The Company during the financial year 2024-25, has received an order under section 143(3) of the Income Tax Act for the assessment year 2022-23, with a tax effect amounting to ₹ 0.97 against which an appeal before the Commissioner of Income Tax (CIT) (Appeals) has been filed. The outcome of such appeal is pending.

The management is confident that its position is likely to be upheld in the appeals pending and no liability could arise on the Company on account of these proceedings.

**(B) Capital commitments**

Capital commitments remaining to be executed and not provided for, (net of capital advances) ₹ 169.55 (March 31, 2024: ₹ 600.97).

**40 Assets pledged as security**

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Non-current assets</b>		
<b>First charge</b>		
Property, plant and equipments	15,068.14	16,518.64
Capital work-in-progress	2,257.51	588.90
<b>Total non-current assets pledged as security</b>	<b>17,325.65</b>	<b>17,107.54</b>
<b>Current assets</b>		
<b>First charge</b>		
Inventories	78,787.34	56,598.38
Trade receivables	6,333.49	3,722.11
Cash and cash equivalents	421.10	328.89
Other bank balances	61.74	-
Other financial assets	484.76	468.29
Other current assets	2,049.01	2,732.59
<b>Total current assets pledged as security</b>	<b>88,137.44</b>	<b>63,850.26</b>
<b>Total assets pledged as security</b>	<b>1,05,463.09</b>	<b>80,957.80</b>

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**DAAWAT FOODS LIMITED**
**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**41 Employee benefit obligations**
**I Defined benefit plans**

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Gratuity	-	123.14	-	86.65
Compensated absences	40.19	66.15	35.86	53.01
<b>Total</b>	<b>40.19</b>	<b>189.29</b>	<b>35.86</b>	<b>139.66</b>

**A Gratuity**

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. The planned assets are managed by Canara HSBC Life Insurance & PNB MetLife India Insurance Company Limited. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan, the Company makes contributions to recognized funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

**Disclosure of gratuity**

The amounts recognized in the Balance sheet and the movements in the net defined benefit obligation over the year are as follows:

**(i) Amount recognised in the Statement of Profit and Loss is as under:**

Description	March 31, 2025	March 31, 2024
Current service cost	45.69	35.39
Interest cost (Net)	3.63	6.31
<b>Amount recognised in the statement of profit and loss*</b>	<b>49.32</b>	<b>41.70</b>

\*Included in Employee benefits expense (Refer note 33).

**(ii) Breakup of actuarial (gain)/loss recognised in other comprehensive income (OCI)**

Description	March 31, 2025	March 31, 2024
Actuarial loss on arising from change in financial assumption	44.50	5.85
Actuarial (gain)/loss on arising from experience adjustment	(57.13)	41.96
Remeasurement on plan assets	(0.20)	(21.50)
<b>Total actuarial (gain)/loss recognised in OCI</b>	<b>(12.83)</b>	<b>26.31</b>

**(iii) Movement in the liability recognised in the balance sheet is as under:**

Description	March 31, 2025	March 31, 2024
Present value of defined benefit obligation as at the start of the year	446.65	387.29
Current service cost	45.69	35.39
Interest cost	29.15	25.92
Actuarial (gain)/loss recognised during the year	(12.63)	47.81
Benefits paid	(18.50)	(49.76)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>490.36</b>	<b>446.65</b>

**(iv) Change in fair value of assets:**

Description	March 31, 2025	March 31, 2024
Fair value of plan assets at the beginning of the year	360.00	268.65
Interest income on plan assets	25.52	19.61
Contribution to fund	-	100.00
Actuarial Gains	0.20	21.50
Benefits paid	(18.50)	(49.76)
<b>Fair value of plan assets at the end of the year</b>	<b>367.22</b>	<b>360.00</b>

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**DAAWAT FOODS LIMITED**
**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**(v) Actuarial assumptions**

Description	March 31, 2025	March 31, 2024
Discount rate	6.66%	7.09%
Retirement age	58 years	58 years
Employee turnover	8.00%	8.00%
Rate of increase in compensation	9.00%	8.00%
Mortality rate	(IALM) 2012-2014 Ultimate	(IALM) 2012-2014 Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**(vi) Sensitivity analysis for gratuity liability**

Description	March 31, 2025	March 31, 2024
Impact of the change in discount rate		
Present value of obligation at the end of the year	490.36	446.65
- Impact due to increase in discount rate by 100 basis points	(34.28)	(26.51)
- Impact due to decrease in discount rate by 100 basis points	39.06	30.19
Impact of the change in salary increase		
Present value of obligation at the end of the year	490.36	446.65
- Impact due to increase in salary escalation rate by 100 basis points	31.36	26.40
- Impact due to decrease in salary escalation rate by 100 basis points	(30.62)	(25.50)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**(vii) Maturity profile of defined benefit obligation for 10 years (undiscounted)**

Description	March 31, 2025	March 31, 2024
Within next 12 months	63.97	118.01
Between 2-5 years	160.27	140.21
Between 6-10 years	213.18	158.43

**(viii) The net liability of defined benefit obligation is as under:**

Description	March 31, 2025	March 31, 2024
Present value of defined benefit obligation	490.36	446.65
Fair value of plan assets	(367.22)	(360.00)
<b>Net defined benefit obligation</b>	<b>123.14</b>	<b>86.64</b>

**B Compensated absences**

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

**Actuarial assumptions**

Description	March 31, 2025	March 31, 2024
Discount rate	6.66%	7.09%
Withdrawal rate	8.00%	8.00%
Future basic salary increase	9.00%	8.00%

**Notes:**

- 1 The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- 2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

**II Defined Contribution Plans**
**Provident Fund and ESI Fund**

Contribution made towards provident fund by the Company during the year is ₹ 89.41 (previous year ₹ 86.10).

Contribution made towards ESI fund by the Company during the year is ₹ 4.01 (previous year ₹ 6.04).

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#### 42 Fair value disclosures

##### i) Financial instruments by category

Particulars	March 31, 2025			March 31, 2024		
	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
<b>Financial assets</b>						
Investment *	149.64	-	-	119.67	-	-
Trade receivables	-	-	6,333.49	-	-	3,722.11
Cash and cash equivalents	-	-	421.10	-	-	328.89
Other bank balances	-	-	61.74	-	-	-
Other financial assets	162.91	-	14,312.06	-	-	14,431.77
<b>Total</b>	<b>312.55</b>	<b>-</b>	<b>21,128.39</b>	<b>119.67</b>	<b>-</b>	<b>18,482.77</b>
<b>Financial liabilities</b>						
Borrowings	-	-	14,593.16	-	-	16,392.38
Trade payables	-	-	64,821.04	-	-	56,675.32
Lease Liability	-	-	244.86	-	-	312.30
Other financial liabilities	-	-	1,919.79	5.62	-	1,195.71
<b>Total</b>	<b>-</b>	<b>-</b>	<b>81,578.85</b>	<b>5.62</b>	<b>-</b>	<b>74,575.71</b>

\* Investment in equity instrument of fellow subsidiary has been accounted at cost in accordance with Ind AS 27, therefore not within scope of Ind AS 109, hence, not included here.

##### ii) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

##### Financial assets and liabilities measured at fair value - recurring fair value measurements

###### As at March 31, 2025

	Level 1	Level 2	Total
<b>Financial assets</b>			
Investment	-	149.64	149.64
Derivative asset - forward contracts	-	162.91	162.91
<b>Total financial assets</b>	<b>-</b>	<b>312.55</b>	<b>312.55</b>

There are no financial liabilities as at March 31, 2025 which have been measured at fair value

###### As at March 31, 2024

<b>Financial assets</b>			
Investment	-	119.67	119.67
<b>Total financial assets</b>	<b>-</b>	<b>119.67</b>	<b>119.67</b>
<b>Financial liabilities</b>			
Derivative liability - forward contracts		5.62	5.62
<b>Total financial liabilities</b>	<b>-</b>	<b>5.62</b>	<b>5.62</b>

##### Valuation process and technique used to determine fair value

(a) Key man insurance policy (Investment) fair value is based on surrender value stated by SBI Life Insurance Company Limited, which represents surrender value for the investors.

(b) Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

##### (iii) Fair value of instruments measured at amortized cost

Fair value of instruments measured at amortized cost for which fair value is disclosed is as follows:

Particulars	Level	As at March 31, 2025		As at March 31, 2024	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Trade receivables	Level 3	6,333.49	6,333.49	3,722.11	3,722.11
Cash and cash equivalents	Level 3	421.10	421.10	328.89	328.89
Bank balances other than cash and cash equivalent	Level 3	61.74	61.74	-	-
Other financial assets	Level 3	14,312.06	14,312.06	14,431.77	14,431.77
<b>Total financial assets</b>		<b>21,128.39</b>	<b>21,128.39</b>	<b>18,482.77</b>	<b>18,482.77</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	14,593.16	14,593.16	16,392.38	16,392.38
Lease liabilities	Level 3	244.86	244.86	312.30	312.30
Trade payables	Level 3	64,821.04	64,821.04	56,675.32	56,675.32
Other financial liabilities	Level 3	1,919.79	1,919.79	1,191.33	1,191.33
<b>Total financial liabilities</b>		<b>81,578.85</b>	<b>81,578.85</b>	<b>74,571.33</b>	<b>74,571.33</b>

The carrying value of trade receivables, cash & cash equivalents, other bank balances, other financial assets, trade payables, lease liabilities and other financial liabilities approximate their fair value largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities are estimated at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

All the borrowing facilities (other than vehicles loans) availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

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## 43 Financial risk management

## i) Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements. The Company does not have any significant investments in equity instruments which create an exposure to price risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, favourable derivative financial instruments, financial assets measured at amortised cost and fair value through profit or loss.	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions, Recognised financial assets and liabilities not denominated in Indian Rupees(INR)	Cash flow forecasting and Sensitivity Analysis	Forward contract and hedging, including PCFC loans as hedge instruments.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

The Company's risk management is carried out by a central treasury department (of the Group) under policies approved by the Board of directors. The Board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

## A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk principally from the trade receivables and other financial assets including cash & bank balances and loans. The carrying amount of financial assets represents the maximum credit exposure.

## a) Credit risk management

## Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

## Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

## Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

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**DAAWAT FOODS LIMITED**
**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**b) Expected credit losses**
**Expected credit losses for financial assets other than trade receivables**

The Company provides for expected credit losses on financial assets other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of other financial assets, credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Particulars	As at March 31, 2025			As at March 31, 2024		
	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision
Cash and cash equivalents	421.10	0.00%	421.10	328.89	0.00%	328.89
Other bank balances	61.74	0.00%	61.74	-	0.00%	-
Other financial assets	14,474.97	0.00%	14,474.97	14,431.77	0.00%	14,431.77

**Expected credit loss for trade receivables under simplified approach**

The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. The Company believes that amount receivable from related parties is collectible in full, based on historical payment behaviour and hence no loss allowance has been recognized on the same. The Company based upon past trends determines an impairment allowance for loss on receivables from others. Generally trade receivables are considered credit impaired if past due for more than 1 year.

**Reconciliation of loss allowance**

Loss allowance on April 01, 2024

(Add)/Less: Changes in loss allowances

Loss allowance on March 31, 2024

(Add)/Less: Changes in loss allowances

Loss allowance on March 31, 2025

Amount
(45.44)
-
(45.44)
(23.99)
(69.43)

**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the Company operates.

**a) Financing arrangements**

The Company had access to the following undrawn 'fund based' borrowing facilities at the end of the reporting period:

**Particulars**

- Expiring within one year (cash credit and other facilities)

- Expiring beyond one year (term loans)

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

March 31, 2025	March 31, 2024
16,647.26	14,857.35
-	-
16,647.26	14,857.35

**b) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity of Company based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

**March 31, 2025**

Borrowings (excluding interest thereon)

Lease liabilities

Trade payables

Other financial liabilities

**Total**

Less than 1 year	1-3 year	More than 3 years	Total
13,060.55	-	1,532.61	14,593.16
76.44	181.13	-	257.57
64,821.04	-	-	64,821.04
1,919.79	-	-	1,919.79
79,877.82	181.13	1,532.61	81,591.56

**March 31, 2024**

Borrowings (excluding interest thereon)

Lease liabilities

Trade payables

Other financial liabilities

**Total**

Less than 1 year	1-3 year	More than 3 years	Total
14,864.79	7.76	1,519.83	16,392.38
67.44	244.86	-	312.30
56,675.32	-	-	56,675.32
1,195.71	-	-	1,195.71
72,803.26	252.62	1,519.83	74,575.71

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## C) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

## a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Euro and other foreign currencies. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company's policy is to hedge all material foreign exchange risk associated with highly probable forecast sales transactions denominated in foreign currencies that are expected to occur within a maximum 12-month period. The Company uses combination of pre-shipment credit in foreign currency (PCFC) and forward contracts (derivative instruments) to hedge its exposure in foreign currency risk.

## (i) Exposure to currency risk:

The Company's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

Particulars	In foreign currency		In INR *	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
<b>Financial assets:</b>				
<b>Trade receivables</b>				
EURO	48.85	-	4,509.86	-
USD	8.06	10.82	689.87	901.94
GBP	2.26	-	250.54	-
<b>Foreign exchange forward contracts (Sell foreign currency)</b>				
EURO	(70.90)	-	(6,545.81)	-
USD	(224.00)	(20.00)	(19,170.23)	(1,667.48)
GBP	(50.00)	-	(5,536.95)	-
GBP - USD	(15.00)	-	(19.41)	-
<b>Financial liabilities</b>				
<b>Trade payables</b>				
USD	3.11	2.98	266.35	248.27
<b>Preshipment credit</b>				
USD	13.84	36.87	1,184.81	3,074.34
<b>Net exposure:</b>				
EURO	(22.05)	-	(2,035.95)	-
USD	(232.89)	(49.03)	(19,931.52)	(4,088.15)
GBP	(47.74)	-	(5,286.41)	-
GBP/USD	(15.00)	-	(19.41)	-

The following significant exchange rates have been applied for measurement of balances denominated in foreign currency:

Particulars	Year end spot rate	
	March 31, 2025	March 31, 2024
EURO	92.32	90.22
USD	85.58	83.37
GBP/USD	1.29	-
GBP	110.74	-

\* Restated balances based on exchange rates prevailing as on reporting date.

## (a) Disclosure of effects of hedge accounting on financial position (Hedge Accounting)

As at March 31, 2025

Type of hedge and risks	Nominal value #		Carrying amount of hedging instrument ##		Maturity dates	Hedge ratio	Average strike price	Gain / (loss) in fair value of hedging instrument	Gain / (loss) in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash flow hedge</b>									
Foreign currency risk									
(i) Foreign exchange forward contracts	31,894.74	-	162.91	-	15 April 2025 - 31 March 2026	1:1	USD: Rs.88.54 EUR: 92.32 GBP: 109.95 GBP/USD: 1.28	162.91	(162.91)
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	1,168.21	-	1,184.81	11 July 2025 - 27 May 2025	1:1	USD: Rs.84.38	(16.60)	16.60

As at March 31, 2024

Type of hedge and risks	Nominal value #		Carrying amount of hedging instrument ##		Maturity dates	Hedge ratio	Average strike price	Gain / (loss) in fair value of hedging instrument	Gain / (loss) in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash flow hedge</b>									
Foreign currency risk									
(i) Foreign exchange forward contracts	1,669.90	-	-	5.62	28 June 2024 - 30 Sept 2024	1:1	USD: Rs.83.50	(5.62)	5.62
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	3,073.02	-	3,074.34	16 July 2024 - 23 Sept 2024	1:1	USD: Rs.83.34	(1.32)	1.32

# Nominal value is the INR value of the instrument based on spot rate of the first hedge.

## Carrying amount of hedging instrument is the marked to market gain / restated amount of the instrument as on reporting date.

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(b) Movements in cash flow hedging reserve

Particulars	Amount
As at April 01, 2023	(12.94)
Add: Changes in fair value of forward contracts	(2.75)
Add: Changes in fair value of PCFCs	(11.93)
Less: Amount reclassified to profit or loss *	25.04
Less: Tax relating to above (net)	(2.61)
Change during the year ended March 31, 2024	7.75
As at March 31, 2024	(5.19)
Add: Changes in fair value of forward contracts	176.98
Add: Changes in fair value of PCFCs	(235.14)
Less: Amount reclassified to profit or loss *	211.40
Less: Tax relating to above (net)	(38.57)
Change during the year ended March 31, 2025	114.67
As at March 31, 2025	109.48

\* Amount reclassified to revenue from operations.

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**DAAWAT FOODS LIMITED**

Notes to the financial statements for the year ended March 31, 2025  
(All amounts are in ₹ in lakhs unless otherwise stated)

**Sensitivity**

A reasonably possible strengthening / weakening of the Euro, US dollar, GBP against all other currencies at March 31, 2025 and March 31, 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. Further, the sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and pre-shipment credit in foreign currency (PCFC) designated as cash flow hedges. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Strengthen		Strengthen		Weaken		Weaken	
		Effect on profit after tax Gain/(Loss)		Effect on other components of equity Gain/(Loss)		Effect on profit after tax Gain/(Loss)		Effect on other components of equity Gain/(Loss)	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Sensitivity of change in exchange rate by 100 basis points*	EURO	33.75	-	(49.51)	-	(33.75)	-	49.51	-
Sensitivity of change in exchange rate by 100 basis points	USD	3.17	4.89	(154.79)	(35.54)	(3.17)	(4.89)	154.79	35.54
Sensitivity of change in exchange rate by 100 basis points	GBP/USD	-	-	(0.28)	-	-	-	0.28	-
Sensitivity of change in exchange rate by 100 basis points	GBP	1.87	-	(41.75)	-	(1.87)	-	41.75	-

\* Holding all other variables constant

**b) Interest rate risk**

i) **Liabilities**  
The Company's policy is to minimise interest rate cash flow risk exposures on interest bearing debt-obligations. The Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. As at year end, the Company had following borrowings:

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	March 31, 2025	March 31, 2024
Variable rate borrowing	12,852.74	14,642.65
Fixed rate borrowing*	1,740.42	1,749.73
<b>Total borrowings</b>	<b>14,593.16</b>	<b>16,392.38</b>

\* In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

**Interest Rate Sensitivity**

Particulars	Effect on profit after tax	
	March 31, 2025	March 31, 2024
Variable rate borrowing		
- Impact due to increase of 50 basis points*	(48.09)	(54.79)
- Impact due to decrease of 50 basis points*	48.09	54.79

\* Sensitivity has been calculated on the amount outstanding as at reporting dates, holding all other variable constant.

**ii) Assets**

The Company's fixed deposits are carried at amortized cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**c) Price risk Exposure**

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

**44 Capital management**
**a) The Company's capital management objectives are**

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio as at the year end was as follows.

Particulars	March 31, 2025	March 31, 2024
Total borrowings including lease liabilities	14,838.02	16,704.68
Less: Cash and cash equivalents	(421.10)	(328.89)
<b>Net debt</b>	<b>14,416.92</b>	<b>16,375.79</b>
Total equity	69,813.32	56,184.04
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.21</b>	<b>0.29</b>

**b) Loan covenants**

Under the terms of major borrowing facilities, the Company is required to comply with the following covenants:

- Adjusted Tangible Net Worth of ₹ 48,000 to be maintained.
- The total outside liability to tangible net worth ratio must not exceed 1.75 times

The Company has complied with these covenants throughout the reporting period.



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**DAAWAT FOODS LIMITED****Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ lakhs unless otherwise stated)

**45 Related party disclosures**

The Company's related party transactions and outstanding balances are with its holding company, subsidiaries, fellow subsidiaries, key management and others as described below.

**A. Relationships****a) Holding Company**

LT Foods Limited

**b) Subsidiaries**

LT Agri Services Private Limited (till 24.01.2024)

**c) Fellow subsidiaries (with whom transactions have taken place during the current or previous year)**

Nature Bio Foods Limited

LT Foods Americas Inc.

Ecopure Specialities Limited

Deva Singh Sham Singh Exports Pvt.Ltd.

LT Foods Europe B.V.

LT Foods Middle East DMCC

Raghunath Agro Industries Private Limited

LT Foods UK Limited

**d) Joint venture of holding company**

Kameda LT Foods (India) Private Limited (Formerly known as Daawat Kameda (India) Private Limited)

**e) Associates of holding company**

Raghuvesh Agri Foods Private Limited

Raghuvesh Warehousing Private Limited

Raghuvesh Infrastructure Private Limited

**B. Key management personnel and Directors****-Key Management Personnel****Name**

Ashwani Kumar Arora

Vijay Kumar Arora

Ashok Kumar Arora

Surinder Kumar Arora

Parmod Kumar

Sachin Gupta

Rajinder Wadhawan

Anu Pushkarna

**Designation**

Director and Chief Executive Officer

Director

Managing Director

Managing Director

Whole time director

Chief Financial Officer (w.e.f. 26.10.2023)

Chief Financial Officer (till 25.10.2023)

Company Secretary

**-Directors**

Parmod Bhagat

Surender Kumar Tuteja

Neeru Singh

Abhiram Seth

Director (till 24.01.2024)

Director (till 17.05.2024)

Independent Director

Independent Director (w.e.f 13.05.2024)

Entities in which Key Management Personnel and their relatives have significant influence (with whom transactions has taken place during the current year and/or previous year)

LT Foundation

S.K. Trading Company (till 25.10.2023)

Super Texfab Private Limited

Oswal Woollen Mills Limited

Sara Flexi Pack LLP

**Details of transactions and balances with the above related parties in the ordinary course of business****Transactions with the holding company****Particulars**

Year ended  
March 31, 2025

Year ended  
March 31, 2024

Income from fleet lease

Corporate guarantee availed charges

Business support services

Purchases

Purchase of Stock in trade

Reimbursement of expenses paid

Payment of dividend

Purchases of property, plant and equipment

Sales

Corporate guarantee availed

42.18

279.92

248.37

1,584.29

441.40

142.52

200.00

11.42

59,843.74

14,642.65



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**DAAWAT FOODS LIMITED**
**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Balance at the year end</b>		
Advance from customer	(2,214.59)	(1,749.14)
<b>Transactions with fellow subsidiaries and others</b>		
<b>Particulars</b>	<b>Year ended March 31, 2025</b>	<b>Year ended March 31, 2024</b>
<b>Sales</b>		
LT Foods America Inc.	1,01,072.11	56,576.37
LT Foods Middle East DMCC	1,234.16	33.47
Nature Bio Foods Limited	9.44	-
Kameda LT Foods (India) Private Limited (Formerly known as Daawat Kameda (India) Private Limited)	0.22	-
Deva Singh Sham Singh Exports Pvt.Ltd.	736.78	735.60
LT Foods Europe B.V.	6,009.46	5,127.96
Raghunath Agro Industries Private Limited	6,772.18	11,558.15
LT Foods UK Limited	309.20	-
<b>Purchases</b>		
Nature Bio Foods Limited	0.31	-
Raghunath Agro Industries Private Limited	0.72	18.78
<b>Rental income</b>		
Nature Bio Foods Limited	18.15	18.15
<b>Processing charges income</b>		
Nature Bio Foods Limited	17.87	2.07
Ecopure Specialities Limited	65.26	-
<b>Power and fuel expenses</b>		
Nature Bio Foods Limited	495.46	168.53
Ecopure Specialities Limited	-	3.07
<b>Income from fleet lease</b>		
Ecopure Specialities Limited	14.71	-
<b>Reimbursement of Expenses</b>		
Nature Bio Foods Limited	-	1.15
<b>Corporate Social Responsibility Expenses</b>		
LT Foundation	170.00	154.00
<b>Particulars</b>	<b>Year ended March 31, 2025</b>	<b>Year ended March 31, 2024</b>
<b>Balance at the year end</b>		
<b>Advance from customer</b>		
LT Foods America Inc.	(8,236.78)	(7,678.34)
Nature Bio Foods Limited	(18.84)	(55.97)
Raghunath Agro Industries Private Limited	-	(8.21)
LT Foods Europe B.V.	-	(205.93)
<b>Trade Receivables</b>		
LT Foods Middle East DMCC	648.33	-
LT Foods Europe B.V.	4,509.86	-
LT Foods UK Limited	250.54	-
Deva Singh Sham Singh Exports Pvt Limited	49.87	83.73
Kameda LT Foods (India) Private Limited (Formerly known as Daawat Kameda (India) Private Limited.)	3.00	39.69
Ecopure Specialities Limited	9.66	-

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**DAAWAT FOODS LIMITED**

**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ in lakhs unless otherwise stated)

**Transactions with entities over which KMP's and/or their relatives have significant influence or control**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Sales</b>		
Oswal Woollen Mills Limited	469.63	352.90
<b>Purchases</b>		
S.K. Trading Company	-	45.27
Super Taxfab Private Limited	3,681.06	2,888.41
Sara Flexi Pack LLP	401.41	-
<b>Balance at the year end</b>		
<b>Trade Payables</b>		
Super Taxfab Private Limited	(369.09)	(674.87)
Sara Flexi Pack LLP	(84.73)	-
<b>Trade Receivables</b>		
Oswal Woollen Mills Limited	27.01	20.07

**Transactions with key management personnel**

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
<b>Remuneration paid</b>		
Rajinder Wadhawan	-	57.87
Parmod Kumar	84.00	41.21
Ashok Kumar Arora	241.50	230.00
Surinder Kumar Arora	241.50	230.00
<b>Sitting fees</b>		
Parmod Bhagat	-	3.40
Surender Kumar Tuteja	1.10	3.60
Neeru Singh	3.80	3.20
Abhiram Seth	2.70	-

Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora and Mr. Ashok Kumar Arora, the Directors have given personal guarantees against the working capital loans availed by the Company.

Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora and Mr. Ashok Kumar Arora, the Directors have given personal guarantees against the term loans availed by the Company.

**Defined benefit obligation for KMP**

<b>Gratuity</b>		
Rajinder Wadhawan	-	9.23
<b>Compensated absences</b>		
Rajinder Wadhawan	-	1.67

The transactions with related parties have been entered into by Company in the ordinary course of business, on arm's length basis on terms prevailing in the open market at that time.

**46 Details of loan, investment made and guarantees given covered under section 186(4) of Companies Act, 2013**

(i) The Company has not granted any loan covered under section 186 of Companies Act, 2013.

(ii) **Name of the Investee**

	Year ended March 31, 2025	Year ended March 31, 2024
<b>Investments in equity shares</b>		
Raghunath Agro Industries Private Limited	84.15	84.15
<b>Total</b>	<b>84.15</b>	<b>84.15</b>

The investments are made for business purposes only.

(iii) The Company has not given any guarantee covered under section 186 of Companies Act, 2013.

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**DAAWAT FOODS LIMITED**
**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ in lakhs unless otherwise stated)

**47 Deferred government grants**

Particulars	March 31, 2025	March 31, 2024
At the beginning of the year	5.35	15.57
Released during the year	(1,088.35)	(517.16)
Received during the year	1,083.00	506.94
At the end of the year	-	5.35

Particulars	March 31, 2025		March 31, 2024	
	Current	Non-current	Current	Non-current
Government grants	-	-	2.06	3.29

**48 Segment reporting**

The Company's operations predominantly relate to the business of milling, processing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market. The Company has identified its whole-time directors as chief operating decision makers (CODM) who assess the financial performance and take the strategic decisions for the Company. The chief operating decision makers review the operations of the Company as one operating segment. Hence, no separate segment information has been furnished herewith.

An analysis of the Company's revenue from sale of rice and other products is as follows:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount	%	Amount	%
Rice	1,71,834.92	94.42%	1,46,115.35	94.23%
Others	6,213.22	3.41%	6,274.35	4.05%
Other operating revenue	3,936.01	2.15%	2,670.53	1.71%
Total	1,81,984.15	100.00%	1,55,060.23	100.00%

A. The Company categorizes its revenue based on products sold and further by geographical region, as summarized below, which as per management is most appropriate:

**i. Sale of Rice**

	As at March 31, 2025		As at March 31, 2024	
	Amount	%	Amount	%
India	61,996.67	36.08%	78,266.12	53.56%
United States of America	1,01,072.11	58.82%	56,589.98	38.73%
Other countries	8,766.14	5.10%	11,259.25	7.71%
Total	1,71,834.92	100.00%	1,46,115.35	100.00%

**ii. Sale of Other Items**

	As at March 31, 2025		As at March 31, 2024	
	Amount	%	Amount	%
India	6,201.33	99.81%	6,269.17	99.92%
United States of America	6.19	0.10%	-	-
Other countries	5.70	0.09%	5.18	0.08%
Total	6,213.22	100.00%	6,274.35	100.00%

**iii. Other operating revenue**

	As at March 31, 2025		As at March 31, 2024	
	Amount	%	Amount	%
India	3,936.01	100.00%	2,670.53	100.00%

B. There are no non-current assets located in foreign countries other than domicile country.

C. The Company has significant customers, the extent of reliance including details of revenue from customers where sales are greater than 10% of the entity's revenue:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount	%	Amount	%
LT Foods Limited	47,738.33	26.23%	59,843.74	38.59%
LT Foods America Inc.	1,01,072.11	55.54%	56,576.37	36.49%



**DAAWAT FOODS LIMITED**
**Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ in lakhs unless otherwise stated)

**49 Disaggregation of revenue**
**i Revenue from sale of products**
**Sale of products**

	Year ended March 31, 2025	Year ended March 31, 2024
Rice	1,71,834.92	1,45,276.93
By products	5,876.48	5,412.03
Paddy	121.26	214.18
Bardana	1.12	17.14
Others	214.36	631.00
<b>Sale of traded goods</b>		
Rice	-	838.42
Others	-	-
<b>Total</b>	<b>1,78,048.14</b>	<b>1,52,389.70</b>

**ii Income from services rendered**

1881.75 1528.08

**iii Income from export incentives and subsidies**

2054.26 1142.45

**Total**
**1,81,984.15 1,55,060.23**
**Timing of revenue recognition**

Revenue recognised over time

1,881.75 1,528.08

Revenue recognised at point in time

1,78,048.14 1,52,389.70

**1,79,929.89 1,53,917.78**
**Reconciliation of revenue recognised with contract price**
**Description**

 Year ended  
March 31, 2025 Year ended  
March 31, 2024

Contract price

1,82,813.47 1,54,304.84

Adjustment for:

Incentives and discounts

(2,883.58) (387.06)

**Revenue from Operations**
**1,79,929.89 1,53,917.78**
**Contract liabilities related to sale of goods and services**
**Description**
**As at March 31, 2025**
**As at March 31, 2024**

Non-current	Current	Non-current	Current
-	10,515.27	-	9,710.70

**Revenue recognised in relation to contract liabilities \***
**Description**

 Year ended  
March 31, 2025 Year ended  
March 31, 2024

Amounts included in contract liabilities at the beginning of the year

9,710.70 3,086.09

Performance obligations satisfied in current year

(9,709.08) (3,086.09)

Amount received in the current year having outstanding performance obligations

10,513.65 9,710.70

**Amounts included in contract liabilities at the end of the year**
**10,515.27 9,710.70**

\* There has been no significant changes in the nature of contract liabilities during the year.

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## 50 Disclosure of Ratios

S No.	Ratio	Formula	Particulars		Ratio		Variation*
			Numerator	Denominator	March 31, 2025	March 31, 2024	
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Bank Balance + Loans + Other Financial Assets	Current Liability= Short term borrowings + Trade Payables + Other financial Liability+ Current tax Liabilities + Lease Liabilities+ Provisions + Other Current Liability	1.43	1.31	8.6%
(b)	Debt-Equity Ratio	Debt / Equity	Debt= long term borrowing + short term borrowing + Non-current and current lease liabilities	Equity= Equity Share Capital + Reserve and Surplus	0.21	0.30	-28.5%
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit before taxes + Non-cash operating expenses + finance cost	Debt Service = Interest and Lease Payments + Principal Repayments of lease liabilities and long term borrowing	6.26	7.38	-15.2%
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profit after taxes	Shareholder's Equity= Equity Share Capital + Reserve and Surplus	0.19	0.19	2.7%
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold = Cost of material consumed + Purchases of Stock in Trade + Changes in Inventory	Average Inventory= (Opening Inventory + Closing Inventory)/2	1.23	1.29	-5.0%
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net credit sales = Sale of product + Sale of traded goods	Average Trade Receivables= (Opening Trade Receivables + Closing Trade Receivable)/2	35.41	26.64	32.9%
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	Average Trade Payables= (Opening Trade Payables + Closing Trade Payables)/2	2.64	2.40	9.8%
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue from Operations	Average Working Capital= Average of Current assets - Current liabilities	5.60	6.80	-17.7%
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Revenue from Operations	0.07	0.07	8.9%
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Equity Share Capital + Other Equity + Non Current and Current borrowings + Total Lease Liabilities	0.24	0.23	7.2%
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Equity Share Capital	7.05	5.53	27.6%

## \*Explanation for change in the ratios by more than 25%:-

- (I) Debt-Equity Ratio  
The debt equity ratio is favourable in current year on account of repayment of borrowings.
- (II) Trade Receivables Turnover Ratio  
The trade receivable turnover ratio is favorable in current year on account of increase in Sales during the year.
- (III) Return on Investment  
The return on investment has improved due to increased profitability in current year.



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**DAAWAT FOODS LIMITED****Notes to the financial statements for the year ended March 31, 2025**

(All amounts are in ₹ in lakhs unless otherwise stated)

- 51 As per the international transfer pricing norms introduced in India with effect from April 01, 2001, the Company is required to use certain specified methods in computing arm's length price of international transactions between the Company and its associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. The Company is in the process of conducting a transfer pricing study for the current financial year. However, in the opinion of the Management the same would not have a material impact on these financial statements as the transactions between the Company and its associated enterprises are at arms length. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.
- 52 The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. There are numerous interpretation issues relating to the judgement passed by Supreme Court dated February 28, 2019 in the matter of Surya Roshni Ltd and others v/s State of M.P. on Provident fund. The order does not specifically mention the date of applicability of this judgement, whether it will be retrospectively or prospectively. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company for the previous periods, if any, can be ascertained. However, the Company has adopted the above changes prospectively.
- 53 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 54 **New and amended standards adopted by the Company**  
Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements.
- New and amended standards issued but not effective**  
On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements.
- 55 The Company has a working capital limit of ₹ 29,500 (March 31, 2024 : ₹ 29,500). For said facility, the management files returns/ statements with such banks on monthly basis. The management also files revised returns/ statements, as at quarter-end and for the quarter then ended, with such banks on quarterly basis after reconciling the data with quarter-end accounts. The revised returns/ statements filed with such banks, except for few immaterial differences, are in agreement with the unaudited books of accounts of the Company on aggregate basis.
- 56 **Other Statutory Information:**
- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - (ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or, b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (iv) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or, b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (v) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
  - (vi) The Company has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
  - (vii) Title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the respective entities in the Company.
  - (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
  - (ix) The Company does not have any transactions with company struck-off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
  - (x) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - (xi) The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such borrowings were taken.
  - (xii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

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DAAWAT FOODS LIMITED

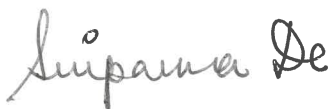
Notes to the financial statements for the year ended March 31, 2025

(All amounts are in ₹ in lakhs unless otherwise stated)

57 Previous year figures

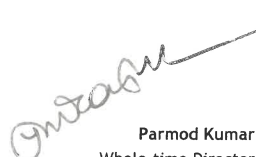
Previous year's figures have been regrouped/ reclassified wherever necessary, to confirm to current year's classification.

For M S K A & Associates  
Chartered Accountants  
Firm Registration Number:- 105047W



Sriparna De  
Partner  
Membership No.: 060978  
Place : Gurugram  
Date : May 15, 2025

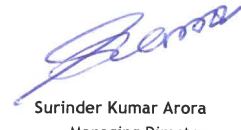
For and on behalf of the Board of Directors  
of Daawat Foods Limited




Parmod Kumar  
Whole-time Director  
DIN: 02475571  
Place : Sonapat  
Date : May 13, 2025



Sachin Gupta  
Chief Finance Officer  
Membership No.: 99415  
Place : Gurugram  
Date : May 13, 2025



Surinder Kumar Arora  
Managing Director  
DIN: 01574728  
Place : Sonapat  
Date : May 13, 2025



Anu Pushkarna  
Company Secretary  
Membership No.: A18354  
Place : Gurugram  
Date : May 13, 2025