

Ref- LTF/ SE/ 2020-21/

Date: 22<sup>nd</sup> December, 2020

To:

<b>The Bombay Stock Exchange (BSE Limited ) Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001</b>	<b>National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051</b>
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**Ref.: Code-532783 Scrip ID: Daawat.****Sub: Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Up-gradation of Credit Rating by CRISIL**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that CRISIL has revised its outlook on the long-term bank facilities of LT Foods Limited to 'Positive' from 'Stable' while reaffirming the rating at 'CRISIL A-'. The short-term rating has been reaffirmed at 'CRISIL A2+'.

**Detailed Rationale**

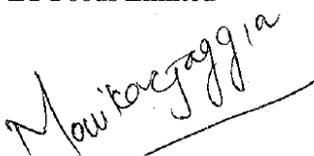
The outlook revision reflects CRISIL's expectations that the group's business and financial risk profiles will continue to improve over the medium term. Improvement in business performance is reflected in operating income of Rs 2,424 crore in the first half of fiscal 2021, compared to Rs 1,952 crore in the first half of fiscal 2020, which was aided by higher volumes achieved in both core rice and organic business despite the impact of the Covid-19-induced lockdowns on the HORECA segment. Operating margin (earnings before income, depreciation, tax and amortization [EBIDTA] margin) was also higher at 12.7% for the first half of the current fiscal compared to 11.4% for the corresponding period of the previous fiscal, aided by higher realizations in the rice business, especially in the first quarter of fiscal 2021 and change of product mix towards high-margin products. Hence, fiscal 2021 revenue and EBITDA margin are expected to be higher than CRISIL's expectations and will continue to be so over the medium term, driven by the management's focus on profitability. The financial risk profile also continues to improve as is reflected in continuously declining absolute debt levels of the group. The group is expected to maintain debt-to-EBIDTA ratio of less than 3 times, going ahead.

The ratings continue to reflect the LT group's strong market position in its segment, resulting in sales growth and stable profitability. The ratings also factor in the group's diversified geographical reach through strong brands (Daawat in India market and Royal in the US market), established marketing network and improving financial risk profile.

Thanking you,

Yours truly

For LT Foods Limited



**Monika Chawla Jaggia**  
**Company Secretary & Compliance Officer**  
**Membership No. F5150**