

LT Foods welcomes Hon'ble Supreme Court's decision in favour of its material subsidiary, Daawat Foods Ltd.

New Delhi (India), July 30, 2024: LT Foods Limited, a more than 70-year-old Indian-origin global FMCG Company in the consumer food space, is pleased to announce that the Hon'ble Supreme Court of India has upheld the order of the Hon'ble High Court of Madhya Pradesh in favor of its material subsidiary, Daawat Foods Ltd.

The case relates to a fire incident that broke out at Daawat Foods's Plant located in Industrial Area Mandideep, District Raisen, Madhya Pradesh in 2014. Following the fire incident, Daawat Foods Ltd. sought compensation of Rs. 189.72 crore from the insurance provider - Oriental Insurance Company. Despite the substantial loss, the insurance claim was repudiated based on the report submitted by the last surveyor / investigator appointed by the insurance company. Unwavering in its pursuit of justice, Daawat Foods Ltd. initiated a commercial suit against Oriental Insurance Company on 26th June 2016.

Last year, the Hon'ble Court of Madhya Pradesh ruled in favour of Daawat Foods Ltd. on 22nd December 2023 awarding a claim of Rs. 161.20 crore in accordance with the terms and conditions of the insurance policy, additionally mandating a 6% interest per annum from the date of the loss.

The Case Details:

1. Daawat Foods Ltd. herein had taken a Standard Fire and Special Perils Policy from the Oriental Insurance Co. on 17.01.2014. In the early morning of 07.06.2014 at about 3:50 a.m. a massive fire broke out at the Daawat Foods's Plant located in Industrial Area Mandideep, District Raisen, Madhya Pradesh.
2. The fire severely damaged and destroyed approximately 44,975 (Fourty Four Thousand Nine-Hundred and Seventy Five) metric tons of paddy worth INR 182.22 crores stored at the plant along with other assets worth INR 7.50 crores. The cumulative loss caused due to the fire was Rs. 189.72 crores.
3. The Oriental Insurance Co. appointed Adarsh Associate (1st Surveyor) on 07.06.2014 followed by M/s Associated Surveyors (2nd Surveyor) on 14.08.2014 and M/s Basheer & Associates (Investigator) on 11.12.2014. who submitted their reports on 30.12.2015, 05.01.2016 & 17.06.2015 respectively.
4. Oriental Insurance Co. repudiated the claim of the Daawat Foods Ltd. by solely relying on the findings of the Investigator that (a) case of Arson is made out which is a criminal act and falls outside the scope of the policy and (b) findings of M/s Truth Lab states excessive amount of Hydro Carbons present in five out of nine samples.



5. Daawat Foods Ltd. instituted a Suit bearing no COMMS/14/2020 before the Commercial Division District Judge Raisen, Madhya Pradesh seeking recovery of INR 259.98 Crores along with interest.
6. The Ld. District Court vide Judgment dated 22.12.2023 passed a decree of INR 161.20 Crores in favour of the Daawat Foods Ltd. along with interest at 6% p.a. from the date of the incident. Aggrieved by the said Judgment the Oriental Insurance Co. preferred an Appeal before the Madhya Pradesh High Court. The Hon'ble High Court of Madhya Pradesh Order dated 15.05.2024 dismissed the Stay Application filed by Oriental Insurance.

Speaking on the occasion, Mr. Ashwani Arora, Managing Director & CEO, LT Foods, said, “We are deeply gratified by the Hon’ble Supreme Court’s decision of disposing off the said SLP by directing Oriental Insurance Company to pay the commission/fee payable to the Bank for the amount which is to be released in terms of the decree to Daawat Foods Ltd. At LT Foods, we hold the highest respect for the judiciary and honour the Supreme Court’s decision wholeheartedly. We remain steadfast in our mission to deliver excellence and uphold trust among our stakeholders.”

About LT Foods

LT Foods Ltd. [NSE: LTFOODS, BSE: 532783] is a leading Indian-origin global FMCG company in the consumer food space. It is a leading player globally in the specialty rice and rice-based foods business for more than last 70 years. The company is committed to nurturing the goodness of food for people, the community and the planet. With nurturing goodness at the heart of everything they do, the company delivers the finest quality and taste experiences in more than 80 countries across India, the U.S., Europe, the Middle East, the Far East and the Rest of the World. The company’s flagship brands include DAAWAT®, one of India’s most loved and consumed Basmati brands, Royal®, North America’s No. 1 Basmati player and many more. The company is proudly expanding into the future food preferences of millennials by offering organic staples through the brand ‘Ecolife’ in global markets and supplying organic agri-ingredients to leading businesses.

It has a consolidated revenue of around Rs. 7,822 crore as of FY’24. It is growing at a 5-year Revenue CAGR of 17% and PAT CAGR of 32%. LT Foods has an integrated “Farm to Fork” approach with a well-entrenched Distribution Network and Global Supply Chain Hubs backed by automated state-of-the-art and strategically located Processing Units in India, the U.S. and Europe, and a robust distribution network with 1,400+ distributors across the globe.

For further information, please contact:

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