



# BIKAJI FOODS INTERNATIONAL LIMITED



IPO NOTE

## Issue highlights

- ❑ **Bikaji Foods International Limited ("Bikaji")** was incorporated on October 6, 1995. Bikaji is the 3<sup>rd</sup> largest ethnic snacks company in India with an international footprint and 2<sup>nd</sup> fastest growing company in the Indian organised snacks market.
- ❑ In Fiscal 2022, they were largest manufacturer of Bikaneri bhujia with annual production of 29,380 tonnes, and they were the 2<sup>nd</sup> largest manufacturer of handmade papad with an annual production capacity of 9,000 tonnes in Fiscal 2022. They are also the 3<sup>rd</sup> largest player in the organised sweets market with annual capacity of 24,000 tonnes for packaged rasgulla, 23,040 tonnes for soan papdi and 12,000 tonnes for gulab jamun.
- ❑ Company's product range includes 6 principal categories: bhujia, namkeen, packaged sweets, papad, western snacks as well as other snacks which primarily includes gift packs (assortment), frozen food, mathri range and cookies. In the 3 months ended June 30, 2022, they sold more than 300 products under the Bikaji brand.
- ❑ Over the years Bikaji has established market leadership in the ethnic snacks market in their core states of Rajasthan, Assam and Bihar and have gradually expanded their footprint across India, with operations across 23 states and 4 union territories as of June 30, 2022.
- ❑ Bikaji has developed a large pan-India distribution network. As of June 30, 2022, they had 6 depots, 38 super-stockists, 416 direct and 1,956 indirect distributors that work with their super-stockists.
- ❑ In the 3 months ended June 30, 2022, they have exported their products to 21 international countries, including countries in North America, Europe, Middle East, Africa, and Asia Pacific.
- ❑ Bikaji has 7 manufacturing facilities that are operated by them, with 4 facilities located in Bikaner, 1 in Guwahati, 1 in Tumakuru and 1 in Muzaffarpur.
- ❑ They have engaged **Amitabh Bachchan** as their brand ambassador. They have recently launched *Bikaji Café* and *Bikaji Funkeen* brands to promote their western snack segment. They also launched their online retail platform **www.bikaji.com** in February 2020 and introduced a mobile application in June 2020. In 2008, they also set up a restaurant-cum- retail store *Bikaji Food Junxon* in Mumbai.

## Brief Financial Details\*

(₹ In Cr)

	As at Jun' 30,		As at Mar' 31,		
	2022(03)	2021(03)	2022(12)	2021(12)	2020(12)
Equity Share Capital	24.95	24.31	24.95	24.31	24.31
Reserves#	809.85	594.24	794.31	579.79	504.86
Net worth as stated	834.80	618.45	819.26	604.10	529.17
Revenue from Operations	419.16	334.05	1610.96	1,310.75	1,074.55
Revenue Growth (%)	25.48%	-	22.90%	21.98%	-
EBITDA as stated	30.79	25.99	139.54	144.77	94.60
EBITDA Margin (%)	7.35%	7.78%	8.66%	11.04%	8.80%
Profit Before Tax	21.79	18.38	105.01	120.11	63.64
Net Profit After Tax	15.70	12.41	76.03	90.34	56.37
Net Profit (%) as stated	3.75%	3.72%	4.72%	6.89%	5.25%
EPS - Basic & Diluted (₹)	0.65^	0.53^	3.15	3.71	2.32
RONW (%)	1.94%^	2.09%^	9.51%	14.93%	10.65%
NAV (₹)	33.46	25.44	32.83	24.85	21.76
ROCE(%)	2.63%^	3.01%	13.89%	20.88%	12.79%
Debt/Equity	0.19	0.16	0.17	0.14	0.10

Source: RHP \*Restated Statement, ^Not annualised # Reserve net of Capital Reserve and Foreign currency Translation Reserve.

## Issue Details

**Offer for sale of 29,373,984 Equity shares**

**Issue size: ₹ 837 – 881 Cr**

**No. of shares: 29,373,984 Shares**

**Face value: ₹ 1/-**

**Employee Reservation: 250,000 Shares**

**Price band: ₹ 285 - 300**

**Bid Lot: 50 Shares** and in multiple thereof

**Employee Discount: ₹ 15/- per share**

**Post Issue Implied Market Cap = ₹ 7,111 – 7,485 Cr**

**BRLMs: Axis Capital, JM Financial, IIFL Securities, Intensive Fiscal, Kotak Mahindra Capital**

**Registrar: Link Intime India Pvt. Ltd.**

**Issue opens on: Thursday, 3<sup>rd</sup> Nov'2022**

**Issue closes on: Monday, 7<sup>th</sup> Nov'2022**

## Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	11-11-2022
Refunds/Unblocking ASBA Fund	11-11-2022
Credit of equity shares to DP A/c	14-11-2022
Trading commences	16-11-2022

## Issue break-up

	No. of Shares	₹ In Cr		% of Issue
		@Lower	@upper	
QIB	14,561,991	415.02	436.86	50%
NIB	4,368,598	124.51	131.06	15%
-NIB 1	1,456,199	41.50	43.69	-
-NIB 2	2,912,399	83.00	87.37	-
RET	10,193,395	290.51	305.80	35%
EMP	250,000	6.75	7.13	-
<b>Total</b>	<b>29,373,984</b>	<b>836.78</b>	<b>880.84</b>	<b>100%</b>

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

## Listing: BSE & NSE

## Shareholding (No. of Shares)

	Pre-Offer and Post-Offer Equity Shares
<b>No of shares</b>	249,509,880

## Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	76.50%	74.49%
Promoters Group	1.47%	1.47%
Public – Selling S/h	15.42%	5.65%
Public –Other	6.61%	18.39%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## BACKGROUND

### Company and Directors

The company was originally incorporated as “*Shivdeep Industries Limited*” on October 6, 1995. Shiv Ratan Agarwal, Deepak Agarwal, Shiv Ratan Agarwal (HUF), and Deepak Agarwal (HUF) are the promoters of the company. Currently the promoters collectively hold 190,869,060 Equity Shares, representing 76.50% of the pre-Offer issued, subscribed and paid-up Equity Share capital of the company.

### Brief Biographies of Directors

**Shiv Ratan Agarwal** is the Promoter, Chairman and Whole-time Director of the company. He has been a director of the company since its incorporation. He has over 30 years of experience in the food industry, including ethnic snacks and sweets.

**Deepak Agarwal** is the Promoter, Managing Director of the company. He has been a director of the company since January 25, 2002. He has approximately 20 years of experience in the food industry, including ethnic snacks and sweets.

**Shweta Agarwal** is the Whole-time Director of the company. She has been a director of the company since November 20, 2006. She has approximately 16 years of experience in the food industry, including ethnic snacks and sweets.

**Sachin Kumar Bhartiya** is the Non-Executive Director of the company and has been jointly nominated by India 2020 Maharaja, Ltd and Lighthouse India Fund III Ltd. He has been a director of the company since April 11, 2014. He has over 13 years of experience in private equity and portfolio management services.

**Nidhi Ghuman** is the Non-Executive Director of the company and has been nominated by IIFL Special Opportunities Funds. She has been a director in the company Since June 30, 2022. She has significant experience in asset management and capital markets.

**Siraj Azmat Chaudhry** is an Independent Director of the company. He has been a director of the company since August 24, 2021. He has over 24 years of experience in agriculture and food processing industry.

**Richa Manoj Goyal** is an Independent Director of the company. She has been associated with the company since December 8, 2021. She has approximately 20 years of experience in the field of trademark law, patent law, copyright law and other allied laws.

**Pulkit Anilkumar Bachhawat** is an Independent Director of the company. He has been a director of the company since December 8, 2021. In the past, he was associated with Intensive Fiscal Services Pvt Ltd in the capacity of manager and senior manager. He has over 7 years of experience in investment banking, including private equity and venture capital.

**Nikhil Kishorchandra Vora** is an Independent Director of the company. He has been a director in the company since December 8, 2021. He is the founder and chief executive officer of Sixth Sense Ventures Advisors LLP. He has significant experience in venture capital.

**Vipul Prakash** is an Independent Director of the company. He has been a director in the company since December 30, 2021. He is currently also associated with MakeMyTrip (India) Pvt Ltd in the capacity of chief operating officer - India. He has over 23 years of experience in the field of operations and management.

### Key Managerial Personnel

**Rishabh Jain** is the Chief Financial Officer of the company. He has been associated with the company since February 1, 2015. He has previously worked with Intensive Fiscal Services Pvt Ltd in the capacity of manager of the investment banking department. He has over 14 years of experience in the field of finance.

**Divya Navani** is the Company Secretary and Compliance Officer of the company. She has been associated with the company since September 1, 2011. She has approximately 12 years of experience in secretarial work.

**Shambhu Dayal Gupta** is the General Manager – Corporate Affairs and Finance of the company. He has been associated with the company since April 1992. He has over 26 years of experience in handling the corporate and financial affairs of the company.

**Manoj Verma** is the Chief Operating Officer of the company. He has been associated with the company since June 1, 2021. He has over 24 years of experience in sales and marketing.

**Rahul Joshi** is the Head - Legal and Compliance of the company. He has been associated with the company since April 2, 2022. He has over 9 years of experience in secretarial matters.

## OFFER DETAILS

Name of Selling Shareholder	No. of Shares	Weighted Average Cost of Acquisition per Equity Share (₹)
	Upto 29,373,984 Equity Shares	
<b>The Promoter Selling Shareholder:</b>		
Shiv Ratan Agarwal	Upto 2,500,000 Equity Shares	0.16
Deepak Agarwal	Upto 2,500,000 Equity Shares	0.14
<b>The Selling Shareholders:</b>		
India 2020 Maharaja, Ltd	Upto 12,110,967 Equity Shares	30.85
Intensive Softshare Pvt Ltd	Upto 50,000 Equity Shares	10.00
IIFL Special Opportunities Fund	Upto 3,110,056 Equity Shares	125.53
IIFL Special Opportunities Fund – Series 2	Upto 1,995,552 Equity Shares	125.53
IIFL Special Opportunities Fund – Series 3	Upto 976,179 Equity Shares	125.53
IIFL Special Opportunities Fund – Series 4	Upto 2,753,339 Equity Shares	125.53
IIFL Special Opportunities Fund – Series 5	Upto 2,162,226 Equity Shares	125.53
Avendus Future Leaders Fund I	Upto 1,215,665 Equity Shares	155.81

## SHAREHOLDING PATTERN

Shareholders	Pre-offer		No. of Shares offered	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter and Promoters Group					
Promoter	190,869,060	76.50%	5000,000	185,869,060	74.49%
Promoters Group	3,674,840	1.47%	-	3,674,840	1.47%
Total for Promoter and Promoter Group	194,543,900	77.97%	5000,000	189,543,900	75.97%
Public - Selling Shareholders	38,464,700	15.42%	24,373,984	14,090,716	5.65%
Public - Other	16,501,280	6.66%	0	45,875,264	18.39%
Total for Public Shareholder	54,965,980	22.03%	24,373,984	59,965,980	24.03%
Total Equity Share Capital	249,509,880	100.00%	29,373,984	249,509,880	100.00%

## BUSINESS OVERVIEW

Bikaji Foods International Ltd (“Bikaji”) is the 3<sup>rd</sup> largest ethnic snacks company in India with an international footprint, selling Indian snacks and sweets, and is the 2<sup>nd</sup> fastest growing company in the Indian organised snacks market. In Fiscal 2022, they were largest manufacturer of Bikaneri bhujia with annual production of 29,380 tonnes, and they were the 2<sup>nd</sup> largest manufacturer of handmade papad with an annual production capacity of 9,000 tonnes in Fiscal 2022. They are also the 3<sup>rd</sup> largest player in the organised sweets market with annual capacity of 24,000 tonnes for packaged rasgulla, 23,040 tonnes for soan papdi and 12,000 tonnes for gulab jamun.

Bikaji has given a novel twist to classic Indian snacks with a contemporary taste along with maintaining the regional flavours to address the evolving consumer preferences in India and internationally. Their history and lineage traces back to Gangabishan Agarwal, founder of Haldiram brand. His grandson, Shiv Ratan Agarwal, the founder and one of the company promoters, continued his legacy and developed extensive experience in the Indian ethnic snacks industry. Shiv Ratan Agarwal launched the *Bikaji* brand in the year 1993 with an in-depth understanding of Indian tastes and preferences. They have over the years established market leadership in the ethnic snacks market in their core states of Rajasthan, Assam and Bihar with extensive reach, and have gradually expanded their footprint across India, with operations across 23 states and 4 union territories as of June 30, 2022. In the 3 months ended June 30, 2022, they have exported their products to 21 international countries, including countries in North America, Europe, Middle East, Africa, and Asia Pacific, representing 3.20% of their sales of food products in such period.

Company's product range includes 6 principal categories: bhujia, namkeen, packaged sweets, papad, western snacks as well as other snacks which primarily includes gift packs (assortment), frozen food, mathri range and cookies. In the 3 months ended June 30, 2022, they sold more than 300 products under the Bikaji brand.

The information on their product mix in the periods indicated:

Category	CAGR (Fiscal 2020- 2022 (%))	No. of Prod ucts	3 months ended Jun 30, 2022				Fiscal					
			2022		2021		2022		2021		2020	
			Amount (₹ Cr)	% of Sale of products	Amount (₹ Cr)	% of Sale of products	Amount (₹ Cr)	% of Sale of products	Amount (₹ Cr)	% of Sale of products	Amount (₹ Cr)	% of Sale of products
Bhujia	26.87%	14	145.85	34.98%	136.66	41.15%	560.14	34.96%	464.11	35.51%	348.00	32.46%
Namkeen	19.17%	66	163.35	39.18%	124.44	37.47%	570.48	35.60%	480.57	36.77%	401.69	37.47%
Packaged Sweets	25.21%	43	31.54	7.57%	23.68	7.13%	203.47	12.70%	160.58	12.29%	129.78	12.10%
Papad	14.24%	8	29.06	6.97%	22.44	6.76%	107.33	6.70%	91.41	6.99%	82.24	7.67%
Western snacks	28.02%	32	36.04	8.64%	15.09	4.54%	91.99	5.74%	65.77	5.03%	56.13	5.23%
Other snacks	10.54%	144	5.61	1.34%	6.18	1.86%	40.40	2.52%	29.56	2.26%	33.06	3.08%
Others	15.69%	-	5.45	1.31%	3.59	1.08%	28.49	1.78%	14.91	1.14%	21.28	1.98%
<b>Total</b>	<b>22.25%</b>	<b>307</b>	<b>416.89</b>	<b>100.00%</b>	<b>332.07</b>	<b>100.00%</b>	<b>1602.29</b>	<b>100.00%</b>	<b>1,306.91</b>	<b>100.00%</b>	<b>1,072.18</b>	<b>100.00%</b>

Bikaji has established their brand as the preferred home consumption snacking brand for families. In Fiscal 2020, 2021, 2022 and in the 3 months ended June 30, 2021, and June 30, 2022, sales of their family pack products (i.e. packs priced at more than ₹ 10) was ₹ 640.74 crore, ₹ 818.59 crore, ₹ 970.51 crore, ₹ 194.04 crore and ₹ 223.62 crore, respectively, and represented 59.76%, 62.64%, 60.57%, 58.43% and 53.64% of their sale of food products, respectively, in such periods. Amongst their competitors, they are the market leaders in the family pack segment with 60.57% share of business coming from SKUs other than ₹ 5 and ₹ 10 packs during Fiscal 2022.

This reflects the strength of their brand as a planned purchase product while most of their competition in the packaged snacks industry in India has significantly higher contribution from small packs that primarily cater to the impulse purchase market. They also cater to the on-the-go (impulse) consumption market through their product packs available at established price points of ₹ 5 and ₹ 10.

The contribution from the impulse purchase packs and family packs (ie. SKUs priced above ₹ 10):

Price Range	CAGR (Fiscal 2020- 2022 (%))	3 months ended Jun 30, 2022				Fiscal					
		2022		2021		2022		2021		2020	
		Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products
Impulse purchase packs	21.29%	187.81	45.05%	134.47	40.50%	603.38	37.66%	473.41	36.22%	410.16	38.26%
Family packs	23.07%	223.62	53.64%	194.04	58.43%	970.51	60.57%	818.59	62.64%	640.74	59.76%
Others	15.52%	5.45	1.31%	3.56	1.07%	28.40	1.77%	14.91	1.14%	21.28	1.98%

Over the years, Bikaji has developed a large pan-India distribution network. As of June 30, 2022, they had 6 depots, 38 super-stockists, 416 direct and 1,956 indirect distributors that work with their super-stockists, located across 23 states and 4 union territories in India. In their core markets of Rajasthan, Assam and Bihar, they have established deep penetration in Fiscal 2022 and enjoys approximately 45%, 58% and 29% respectively, of the market share of total organized Indian ethnic snack category in such states. Company's pan-India distribution network and well-established brand has enabled them to effectively and cost efficiently increase market penetration and expand their footprint across India. Company's leading position, strength of the *Bikaji* brand, their pan-India distribution network and logistics arrangements have further consolidated their position leading to significant business growth and consistent financial performance.

Bikaji has 7 operational manufacturing facilities that are operated by them, with 4 facilities located in Bikaner (Rajasthan), 1 in Guwahati (Assam), 1 facility in Tumakuru (Tumkur) (Karnataka) held through their subsidiary Petunt Food Processors Pvt Ltd to cater to the southern markets in India and 1 facility in Muzaffarpur (Bihar) held through the other subsidiary Vindhyawasini Sales Pvt Ltd to cater to their core market of Bihar, respectively.

In addition, they have entered into a contract manufacturing agreement on a non-exclusive basis with a contract manufacturing unit in Kolkata (West Bengal), that helps them primarily cater to certain parts of eastern India and 2 contract manufacturing agreements on an exclusive basis with one of their Group Company, Hanuman Agrofood for a contract manufacturing facility located at Bikaner and with another third-party contract manufacturer for a contract manufacturing facility located at Kanpur, Uttar Pradesh. In addition, they have 1 small facility in Mumbai to manage their Mumbai restaurant sales. They intend to operationalise 2 additional manufacturing facilities, of which 1 facility in Rajasthan will be operated by them and will manufacture their frozen snacks and sweets products, and for the remaining manufacturing facility in Bihar, they have entered into contract manufacturing agreement for the manufacture of namkeen and western snacks.

Company's manufacturing facilities are generally equipped with modern and automated production processes, with specialized custom-made manufacturing equipment obtained from national and international suppliers. In particular, the production process for bhujia, namkeen snacks and packaged tin-based sweets are almost fully automated. They have also started manufacturing of papad through automation. However, most of their papad products are handmade.

Over the years, Bikaji has invested heavily in strengthening the brand recall and consumer goodwill of their brand *Bikaji*. They have engaged **Amitabh Bachchan**, a well-known celebrity in India, as their brand ambassador. They have recently launched *Bikaji Café* and *Bikaji Funkeen* brands to promote their western snack segment. They also launched their online retail platform **www.bikaji.com** in February 2020 and introduced a mobile application in June 2020 which allow consumers to browse their selection of products. In 2008, they also set up a restaurant-cum- retail store *Bikaji Food Junxon* in Mumbai.

Deepak Agarwal, the Managing Director and Promoter, has been instrumental in managing their rapidly expanding operations, implementing strategic marketing and business initiatives, and focusing on financial performance. Their Board of Directors also includes individuals who carry wide industry experience across sectors with significant business expertise in consumer, legal, sales and marketing and finance matters. They have a well-qualified senior management team with extensive experience in the consumer goods and food and beverages industry, which enable them to capitalize on future growth opportunities. They are also supported by several marquee private equity funds and investors, including Avendus Future Leaders Fund I ("**Avendus**"), Axis Asset Management Co Ltd ("**Axis Asset Management**"), Lighthouse Funds ("**Lighthouse Funds**"), IIFL Asset Management Ltd ("**IIFL Asset Management**") and Intensive Softshare Pvt Ltd ("**Intensive Softshare**"), **Ashoka India Equity Investment Trust PLC** and **India Acorn Fund Ltd**.

Bikaji has a successful track record of over 3 decades in the Indian snacks industry which has enabled them to develop an effective business model with stringent control over processes. They also have an information technology system that enables them to coordinate their operations from automated manufacturing to logistics and transport, inventory management, invoicing, customer relationship management, distributor management, cost management which help in making effective and meaningful decisions.

Bikaji has established a track of consistent revenue growth and profitability, even during periods impacted by the COVID-19 pandemic. They recorded an increase in sales of food products at a CAGR of 22.25% between Fiscal 2020 and Fiscal 2022, and their EBITDA and PAT increased at a CAGR of 21.45% and 16.13%, respectively, in such period.



The key performance indicators for the periods indicated:

	CAGR (Fiscal 2020-2022)	3 months ended Jun 30, 2022		As of / for the years ended March 31,		
		2022	2021	2022	2021	2020
Total Volume sold (Tonnes)						
Bhujia	15.88%	7,937.96	7,948.91	31,947.71	29,694.41	23,793.22
Namkeen	9.39%	9,103.38	7,429.04	32,886.04	30,551.48	27,480.96
Packaged Sweets	18.73%	2,543.58	2,007.65	15,736.81	13,193.00	11,164.30
Papad	6.57%	1,441.90	1,219.47	5,601.28	5,148.73	4,931.54
Western snacks	31.69%	1,809.35	858.24	6,277.31	4,218.31	3,619.91
Other snacks	0.60%	238.42	300.23	1,967.98	1,551.35	1,944.74

## STRATEGIC POSITION

The company is one of India's largest FMCG brands with an international footprint, selling Indian snacks and sweets, and is among the fastest growing companies in the Indian organised snacks market. To ensure production of superior quality products in snacks and sweets segment, the company has given paramount importance by significantly investing in strengthening the brand recall and consumer goodwill over the years.



Brief	Details
<b>Diversified product portfolio</b>	The company has well-diversified product basket of more than 250 products that ranges from wholesome bites to indulgent treats, such as namkeen, sweets, papad, western snacks, chips and cookies. Namkeen is the highest selling category followed by Bhujia, Sweets, Papad and Others contributing to 35.6%, 34.9%, 12.7%, 6.7% and 10.0% of the total sales in Fiscal 2022.
<b>Largest producer of Bikaneri bhujia</b>	In Fiscal 2022, Bikaji was the largest manufacturer of Bikaneri bhujia with annual production of 29,380 tonnes. The Bikaneri bhujia was given the Geographical Identification ("GI") tag in 2010 since it is popular cottage industry of Bikaner, providing employment to a large group of people in the region. The company is amongst the first to introduce convenient pouch packaging for Bhujia.
<b>One of the largest manufacturer of packaged sweets</b>	Bikaji is 3 <sup>rd</sup> largest player in organized sweets market with annual capacity of 24,000 tonnes for packaged rasgulla 23,040 tonnes and 12,000 tonnes for Soan Papdi and Gulab Jamun respectively. The company is also proud to be the 1 <sup>st</sup> in the industry to manufacture Rasgulla on a highly automated manufacturing line and best-in-class automated softwares.
<b>2<sup>nd</sup> largest manufacturer of handmade papad</b>	The company is the 2 <sup>nd</sup> largest manufacturer of handmade papad with an annual production capacity of 9,000 tonnes in 2022. Majority of the papad produced by the company is handmade and is well-known as their specialty product with focus on unmatched taste. However, they also manufacture machine made Papads.
<b>Strong presence in Family Pack segment sales</b>	The company is the market leader in family pack segment and recorded highest share of 60.57% amongst its other SKUs of ₹ 5 and ₹ 10 packs during Fiscal 2022.
<b>Enhancing brand equity by roping celebrity as brand ambassador</b>	To further enhance its brand equity, the company has chosen <b>Amitabh Bachchan</b> as its brand ambassador who is one of the most popular celebrities across all age, socio economic groups, gender, rural and urban regions with tag line "Amitji Loves Bikaji" since 2019. Bikaji reported approximately 1.81% of advertisement expenses in 2022 which on an average is the highest amongst its competitors in traditional snacks product category.
<b>Strengthening presence in e-commerce, new generation and institutional channels</b>	Bikaji already has website to a one-of-a-kind online shopping portal - <a href="http://www.bikaji.com">www.bikaji.com</a> . The company also created their own mobile application that is available on both Android and iOS platforms, collaborated with leading e-commerce players such as Amazon, Grofers, Swiggy, Milkbasket, Big Basket etc to sell their products, and actively made sales across other e-commerce platforms such as Udaan, Shop Kirana, Store King, Deal Share etc.
<b>From concentrated player to becoming pan India dominant player</b>	with operations across 23 states and 4 union territories serviced through 2,416 distributors. Their pan-India distribution network and well-established brand has enabled them to effectively and cost efficiently increase market penetration and expand their footprint across India.
<b>Strong financial metrics</b>	The company has registered good revenue growth over the recent years (5-year CAGR of 19.8% over Fiscal 2018 – Fiscal 2022) and a growth of 9.08% in EBITDA over the same period, while maintaining healthy profitability.
<b>Strategic initiatives to ensure company's future readiness</b>	
<b>Growth Strategy across E-comm and New Age Channels</b>	

## REVENUE FROM OPERATIONS – REGION-WISE

Regional Breakdown	CAGR (Fiscal 2020-2022 (%)	3 months ended Jun 30, 2022				Fiscal					
		2022		2021		2022		2021		2020	
		Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products
India											
East	21.77%	151.93	36.44%	113.32	34.13%	490.75	30.63%	411.99	31.52%	330.97	30.87%
North	23.18%	223.45	53.60%	184.78	55.64%	905.83	56.53%	714.66	54.68%	596.93	55.67%
South	59.66%	6.80	1.63%	1.85	0.56%	26.97	1.68%	20.25	1.55%	10.58	0.99%
West	14.52%	21.36	5.12%	15.53	4.68%	115.00	7.18%	93.55	7.16%	87.68	8.18%
Total	22.45%	403.54	96.80%	315.48	95.00%	1538.54	96.02%	1240.45	94.91%	1026.16	95.71%
Outside India											
North America	13.62%	6.36	47.64%	7.69	46.37%	26.25	41.18%	27.87	41.94%	20.33	44.18%
Asia Pacific	14.15%	4.18	31.29%	6.61	39.83%	25.62	40.20%	26.55	39.95%	19.66	42.72%
Middle East	46.07%	1.56	11.69 %	1.40	8.43%	8.06	12.64%	8.88	13.37%	3.78	8.20%
Europe	74.34%	0.44	3.30%	0.74	4.48%	2.87	4.50%	1.42	2.14%	0.93	2.03%
Africa	(15.69)%	0.40	3.01%	-	-	0.59	0.92%	0.89	1.34%	0.83	1.79%
United Kingdom	(14.13)%	0.41	3.08%	0.15	0.89%	0.36	0.57%	0.83	1.26%	0.49	1.07%
Total	17.69%	13.35	100.00%	16.59	100.00%	63.75	100.00%	66.46	100.00%	46.02	100.00%

## INTELLECTUAL PROPERTY

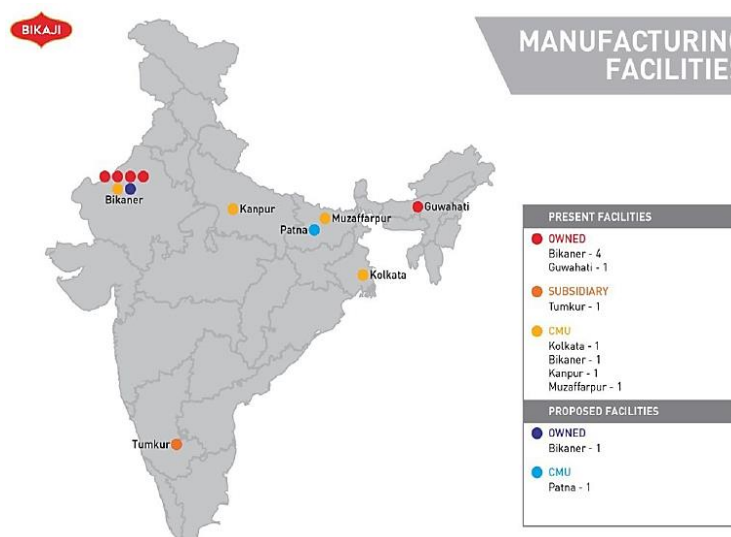
As of June 30, 2022, Bikaji has 261 registered trademarks in India. These includes registrations in respect of certain of their key brands, including 'Bikaji', their logo. Further, Bikaji has also obtained registrations for 22 trademarks across several jurisdictions including Australia, Germany, Japan, South Africa, Nepal, Canada, Malaysia, USA, Singapore, UK, UAE, and China, for trademark registrations in respect of their logo 'Bikaji'. Further, as of June 30, 2022, Bikaji has made applications for an additional 52 trademarks in India. Also, as of June 30, 2022, Bikaji has about 25 registered "artistic works" in India.

## PRODUCTS PORTFOLIO

The infographic sets forth the principal product categories with respective sales contribution as at June 30, 2022:



## MANUFACTURING FACILITIES



### Existing facilities

Manufacturing Facility	Bhujia	Namkeen	Papad	Western Snacks	Packaged Sweets
<b>Owned<sup>(1)</sup></b>					
Karni, Bikaner	✓	✓	✓	✓	✓
Bichhwal, Bikaner - I	-	-	✓	-	✓
Bichhwal, Bikaner - II	-	✓	-	✓	-
Bichhwal, Bikaner - III	-	-	-	-	-
Tumakuru (Tumkur), Karnataka <sup>(2)</sup>	-	✓	-	✓	-
Guwahati, Assam <sup>(3)</sup>	-	✓	-	✓	-
Muzaffarpur (Bihar) <sup>(4)</sup>	-	✓	-	✓	-
<b>Contract manufacturing facility</b>					
Kolkata, West Bengal <sup>(5)</sup>	-	-	-	✓	-
Bikaner <sup>(6)</sup>	-	-	-	✓	-
Kanpur, Uttar Pradesh <sup>(7)</sup>	-	✓	-	✓	-

(1) In addition, Bikaji has 1 small facility in Mumbai to manage their Mumbai restaurant sales.

(2) Manufacturing facility owned by the subsidiary Petunt Food Processing Pvt Ltd, where they have a 51.22% shareholding. The Tumakuru manufacturing facility primarily manufactures the western snacks and namkeen and also carries out contract manufacturing activities for third parties. Therefore, the entire average estimated annual capacity is not utilized for the production of company's products.

(3) Commissioned on January 14, 2022.

(4) Manufacturing facility owned by Vindhyawasini Sales Pvt Ltd which became their subsidiary with effect from April 1, 2022. The manufacturing facility was commissioned on March 31, 2022.

(5) Facility is not owned by the company, and their contract manufacturing arrangement with the facility is on a non-exclusive basis.

(6) Facility is not owned by the company, and contract manufacturing arrangement with their Group Company, Hanuman Agrofood is on an exclusive basis. The facility was commissioned on August 16, 2022.

(7) Facility is not owned by the company, and their contract manufacturing arrangement with the facility is on an exclusive basis. The facility was commissioned on September 13, 2022.

	Estimated Annual Installed Capacity (Annualised) in Metric Tonnes ("MT")					
	Bhujia	Namkeen	Machine Made Papad	Western Snacks	Packaged Sweets	Other Snacks
Karni, Bikaner	57,600	50,520	2,400	4,800	24,000	NA
Bichhwal, Bikaner - I	NA	NA	NA	NA	36,480	NA
Bichhwal, Bikaner - II	NA	24,000	NA	6,000	NA	NA
Bichhwal, Bikaner - III	NA	NA	NA	NA	NA	NA
Tumakuru (Tumkur), Karnataka	NA	6,000	NA	6,000	NA	NA
Guwahati, Assam	NA	12,000	NA	6,000	NA	NA
Muzaffarpur, Bihar	NA	3,000	NA	1,800	NA	NA
Bikaner	NA	3,600	NA	4,500	NA	NA
Kanpur, Uttar Pradesh	NA	6,000	NA	4,800	NA	NA
<b>Total</b>	<b>57,600</b>	<b>105,120</b>	<b>2,400</b>	<b>33,900</b>	<b>60,480</b>	<b>NA</b>

NA=Not Applicable/Not Available



Product	The average estimated annual available capacity for each of the product category														
	3 Months ended June 30, 2021						Fiscal								
	2022			2021			2022			2021			2020		
	Average Estimated Annual Available Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)	Average Estimated Annual Available Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)	Average Estimated Annual Available Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)	Average Estimated Annual Available Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)	Average Estimated Annual Available Capacity (MT)	Actual Production (MT)	Capacity Utilisation (%)
Bhujia	14,400	8,077	56.09	14,400	8,271	57.44	57,600	32,055	55.65	5,2373	29,672	56.66	45,600	23,801	52.20
Namkeen	22,380	9,186	41.04	18,630	7,686	41.26	77,446	33,145	42.80	71,134	30,442	42.80	67,938	27,504	40.48
Machine made Papad	600	140	23.26	600	104	17.36	2,400	405	16.88	1,897	450	23.72	1,200	318	26.47
Western Snacks	4,650	1,530	32.90	2,700	741	27.44	12,263	3,332	27.17	10,800	3,232	29.93	10,800	2,903	26.88
Packaged Sweets	14,184	2,680	18.89	13,200	2,146	16.26	56,735	15,837	27.91	47,573	13,384	28.13	38,173	11,061	28.98

## KEY STRENGTHS

- Well-established brand with pan-India recognition**

Bikaji sell all their products under their well-established brand “**Bikaji**” focusing on a diverse range of quality products, authentic ethnic Indian taste, innovative packaging, and effective pricing strategies covering all key price points. They are among the Top-3 Indian ethnic snack manufacturers in India.

A significant part of their sale of food products is derived from sales of family packs (i.e., SKUs priced above ₹ 10), which accounted for 59.76%, 62.64%, 60.57%, 58.43% and 53.64% of their sale of food products in Fiscal 2020, 2021, 2022 and in the 3 months ended June 30, 2021, and June 30, 2022 respectively. They have strategically undertaken brand-building initiatives to increase brand recall through prudent use of resources and increasing branding and marketing expenses as they grow their business. The advertisement expenses represented 3.43%, 2.34%, 1.82%, 0.45% and 0.34% of their sales of food products in Fiscal 2020, 2021, 2022 and in the 3 months ended June 30, 2021, and June 30, 2022 respectively.

- Diversified product portfolio focused on various consumer segments and markets**

Company’s understanding of the Indian taste palate complements their product development capabilities, which has allowed them to develop a comprehensive portfolio of a variety of Indian snack foods and sweets. As of June 30, 2022, their diversified product portfolio included more than 300 products across all their product segments. They have launched packages of various sizes for their products.

The company generally maintain a consistent product pipeline at their manufacturing facilities and their relationship with the raw ingredient suppliers enable them to ensure that their manufacturing facilities operate efficiently. They have entered the frozen foods segment particularly frozen sweets and snacks, which are fast-growing segments in packaged foods. They are in the process of setting up a facility in Bikaner to manufacture frozen products.

- Strategically located, large scale sophisticated manufacturing facilities with stringent quality standards**

Company’s existing manufacturing facilities are built for large scale operations and are strategically located in proximity to (i) their key raw ingredient supplies; and (ii) improve their distribution and supply of finished products, which results in reduced freight and logistics related time and cost.

Company’s facilities in Bikaner are located with easy access to cow milk, dew bean (moth dal) and moong dal, which are primary ingredients for their bhujia, sweets and namkeen products. Their manufacturing facility in Guwahati (Assam) commissioned recently on January 14, 2022 with capacity to produce namkeen and western snacks is strategically located in their core market. They own 1 facility at Tumakuru (Karnataka) held through their subsidiary Petunt Food Processors Pvt Ltd to cater to the southern markets in India and the other facility at Muzaffarpur (Bihar) held through Vindhayawasi Sales Pvt Ltd to cater to their core market of Bihar which was commissioned on March 31, 2022. They also have a contract manufacturing unit in Kolkata and 2 contract manufacturing facility located at Bikaner and at Kanpur. In addition, they have 1 small facility in Mumbai to manage their Mumbai restaurant sales.

The company intends to operationalise 2 additional manufacturing facilities, of which 1 in Rajasthan will be operated by them and will manufacture their frozen snacks and sweets products, and for the remaining manufacturing facilities in Bihar, they have entered into contract manufacturing agreements for the manufacture of namkeen and western snacks.

The company focuses on stringent quality standards throughout their manufacturing process in their own facilities as well as at their contract manufacturing facilities.

Their Karni manufacturing facility and unit-I of their Bichhwal manufacturing facility have obtained the ISO 9001:2015 and the ISO 22000:2018 certification, for quality management system and food safety management system respectively. The manufacturing facility located at Karni, Bikaner has also received an "A" Grade by the BRC Global Standard for Food Safety Issue 8.

- **Extensive pan-India and global distribution network, arrangements with reputed retail chains and growing ecommerce and exports channel**

Bikaji sell their products primarily through general trade, modern trade, and e-commerce platform, as well as exports.

The channel-wise sales of food products:

Category	CAGR (Fiscal 2020- 2022 (%))	3 months ended Jun 30, 2022				Fiscal					
		2022		2021		2022		2021		2020	
		Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products	Amount (₹ Cr)	% of Sale of Food products
General Trade	21.79%	356.25	85.45%	295.44	88.97%	1358.19	84.77%	1128.80	86.37%	915.62	85.40%
Modern Trade	23.95%	23.76	5.70%	12.03	3.62%	110.06	6.87%	77.64	5.94%	71.64	6.68%
Exports	17.69%	13.35	3.20%	16.59	5.00%	63.75	3.98%	66.46	5.09%	46.02	4.29%
E-commerce Platform	150.37%	3.42	0.82%	3.45	1.04%	18.68	1.17%	10.21	0.78%	2.98	0.28%
Others	19.86%	20.12	4.83%	4.56	1.37%	51.61	3.22%	23.80	1.82%	35.92	3.35%
<b>Total</b>	<b>22.25%</b>	<b>416.89</b>	<b>100.00%</b>	<b>332.07</b>	<b>100.00%</b>	<b>1602.29</b>	<b>100.00%</b>	<b>1306.91</b>	<b>100.00%</b>	<b>1072.18</b>	<b>100.00%</b>

- **Extensive distribution network in India**

As of June 30, 2022, Bikaji had 6 depots, 38 super-stockists, 416 direct and 1,956 indirect distributors that work with their super-stockists, located across 23 states and 4 union territories in India. They are consistently engaging with their super-stockists and direct distributors as well as end retailers to collect product feedback and insights on market trends. They have also focused on developing strategic distribution channels, such as sale of their products at railway stations across India. They also started supplying products for sale in Indian army canteens from August 2022.

- **Strategic arrangements with retail chains in India and international markets**

Bikaji has entered into arrangements with various modern retail channels including supermarkets, hypermarkets and retail store chains either directly or through super-stockists. Within India, they have entered into arrangements with multiple retail chains. Sales through these modern retail channels contributed 6.68%, 5.94%, 6.87%, 3.62% and 5.70% of their total sale of food products in Fiscal 2020, 2021, 2022 and in the 3 months ended June 30, 2021 and June 30, 2022 respectively. Company's products are available at various international retail chains.

- **Growing e-commerce channel**

E-commerce platform channels include listing of their products on various large popular ecommerce platforms, distribution start-ups as well as their own ecommerce platform, [www.bikaji.com](http://www.bikaji.com). Sales through ecommerce channels contributed 0.28%, 0.78%, 1.17%, 1.04% and 0.82% of their total sales of food products in Fiscal 2020, 2021 and 2022, and in the 3 months ended June 30, 2021 and June 30, 2022

- **Significant multi-product export sales**

In Fiscal 2020, 2021 and 2022, and in the 3 months ended June 30, 2021, and June 30, 2022, their export sales represented 4.29%, 5.09%, 3.98%, 5% and 3.20% of the sale of food products. During this period, their products were exported to 29, 31, 35, 26 and 21 countries, respectively. The revenues from exports also increased at a CAGR of 17.69% from ₹ 46.02 crore in Fiscal 2020 to ₹ 63.75 crore in Fiscal 2022 and was ₹ 13.35 crore in the 3 months ended June 30, 2022.

- ***Consistent financial performance***

Despite the price of palm oil increasing significantly in Fiscal 2022 and increase in inflation resulting an increase in raw material prices in the 3 months ended June 30, 2022, they have managed to maintain consistent EBITDA margins by passing on the increase in raw ingredients cost to their consumers. The sales of food products had grown at a CAGR of 22.25% from ₹ 1,072.18 crore in Fiscal 2020 to ₹ 1,602.29 crore in Fiscal 2022 and was ₹ 332.07 crore and ₹ 416.89 crore in the 3 months ended June 30, 2021 and June 30, 2022 despite the impact of the COVID- 19 pandemic since the beginning of Fiscal 2021.

- ***Experienced Promoters and management team***

Company's founder and Promoter, Shiv Ratan Agarwal has more than 3 decades of experience in this industry. The Managing Director and Promoter, Deepak Agarwal, has been instrumental in managing their rapidly expanding operations, implementing strategic marketing and business initiatives, and focusing on financial performance. They are also supported by several marquee investors including **Aventus, Axis Asset Management, Lighthouse Funds, IIFL Asset Management and Intensive Softshare**. The Board of Directors also includes individuals who carry wide industry experience across sectors with significant business expertise in consumer, legal, sales and marketing and finance matters. They have a well-qualified senior management team with extensive experience in the consumer goods and food and beverages industry.

As of June 30, 2022, they were supported by 2,664 committed staff out of which 474 are employees and 2,190 are skilled and unskilled labours.

## KEY GROWTH STRATEGIES

- ***Implement distinctive growth strategies for the core markets, focus markets and other markets***

The core markets, focus markets and other markets requires different inputs and support and as such Bikaji intends to implement differentiated strategic priorities for the respective geographies:

- ***Core market strategic intervention***

Company's core markets are Rajasthan, Assam and Bihar where in Fiscal 2022, they enjoyed a market share of approximately 45%, 58% and 29% respectively. They will continue to invest into these markets to further consolidate their leading position in these states. Sales of food products in their core markets represented 72.57%, 71.43%, 71.48%, 76.43% and 74.70% in Fiscal 2020, 2021 and 2022, and in the 3 months ended June 30, 2021 and June 30, 2022. They delivered a CAGR of 21.32% in sales of food products in their core markets between Fiscal 2020 and Fiscal 2022. They would continue to leverage wholesale distributors and hawkers' channel, which are 2 critical and important business channels in these core markets. They are in the process of digitalizing their super-stockist and distributor network by providing them with comprehensive distribution management systems and sales force automation solutions.

- ***Drive growth in focus markets leveraging existing and proposed facilities***

The focus markets are states identified basis the proximity of markets and opportunity to expand in the size of the products they offer. In these states there are immense growth opportunities and they have already made some inroads, started making their presence felt and started gaining market share. The strategic lever will be to strengthen their distribution network and increase direct and indirect reach in these states.

The Company is in the process of strengthening their distribution base in these markets by adding more super-stockists and distributors in more cities and towns. They entered in this geography by initially focusing on their top selling products and now they are expanding their category, both western and ethnic which would further help in gaining presence and market share. They have experienced significant growth in recent years in states such as Uttar Pradesh, Punjab, Haryana and Delhi in north India and Karnataka and Telangana in south India. Sales of food products from these markets increased at a CAGR of 35.84% between Fiscal 2020 and Fiscal 2022.

- **Expansion into other markets**

In such other markets, as seeding operations, Bikaji intends to build the experienced super-stockist distribution network with exposure of same categories to leverage their distribution strength in the respective markets. In these other markets, they intend to focus on large cities and driving their popular products. They will leverage e-commerce B2B platforms and national modern trade retail chains to increase their presence and brand in these markets.

- **Establish strategically located new manufacturing facilities to pursue growth in the focus and other Markets**

In order to support their growth strategy in their focus and other markets, they also intend to operationalise 2 additional manufacturing facilities, of which one in Rajasthan will be operated by them and will manufacture their frozen snacks and sweets products, and for the remaining manufacturing facilities in Bihar, they have entered into contract manufacturing agreements for the manufacture of namkeen and western snacks, which are expected to commence commercial operations over the next 2 years.

The information relating to the proposed manufacturing facility and the proposed contract manufacturing facilities

Locations	Bhujia Snacks	Namkeen Snacks	Papad	Western snacks	Packaged Sweets	Other	Estimated Scheduled Commercial Production Date
<b>Metric Tonnes Per Annum</b>							
<b>Owned</b>							
Karni, Bikaner	NA	NA	NA	NA	NA	9,600	End of Fiscal 2024
<b>Contract Manufacturing Facility</b>							
Patna, Bihar	NA	6,000	NA	3,000	NA	NA	End of Fiscal 2023
<b>Total Additional Capacity</b>	<b>NA</b>	<b>6,000</b>	<b>NA</b>	<b>3,000</b>	<b>NA</b>	<b>9,600</b>	<b>-</b>

- **Continue to use advanced technology to further optimise the operations**

Bikaji continues to make significant investment to support their super-stockists and distributors and further scale their distribution network which includes additional cities, towns and rural areas that increase market penetration across India. They have recently commenced work for implementation of their distribution management system, and various measures to achieve operational technology and storage excellence. They are in the process of implementing an automated storage retrieval system to optimize floor space in their warehouses and streamline the goods movement.

- **Further strengthen the brand**

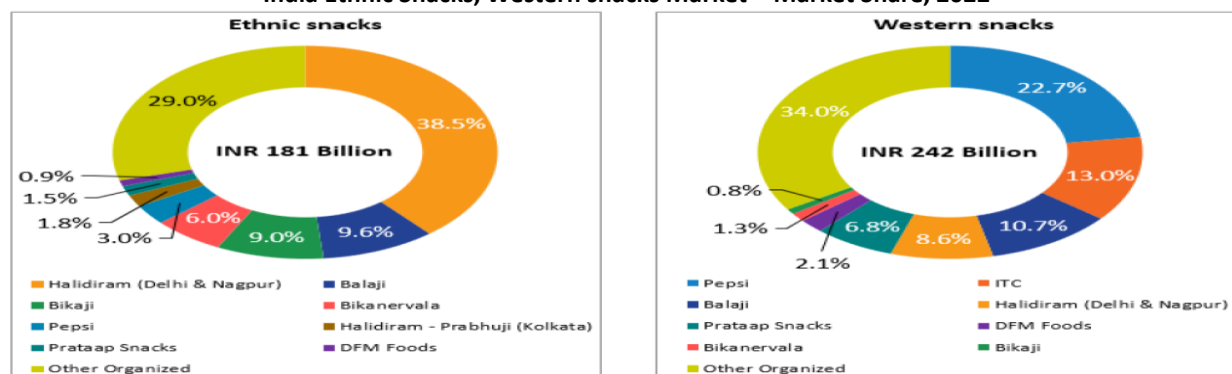
Bikaji has consistently allocated significant resources to establish and strengthen the *Bikaji* brand and consciously developed their product portfolio under the *Bikaji* brand, allowing customers to associate with one brand. Going forward, they intend to roll out special programmes and enter arrangements with their “category top end stores”. They intend to increase the visibility of their products in other states with their current branding efforts.

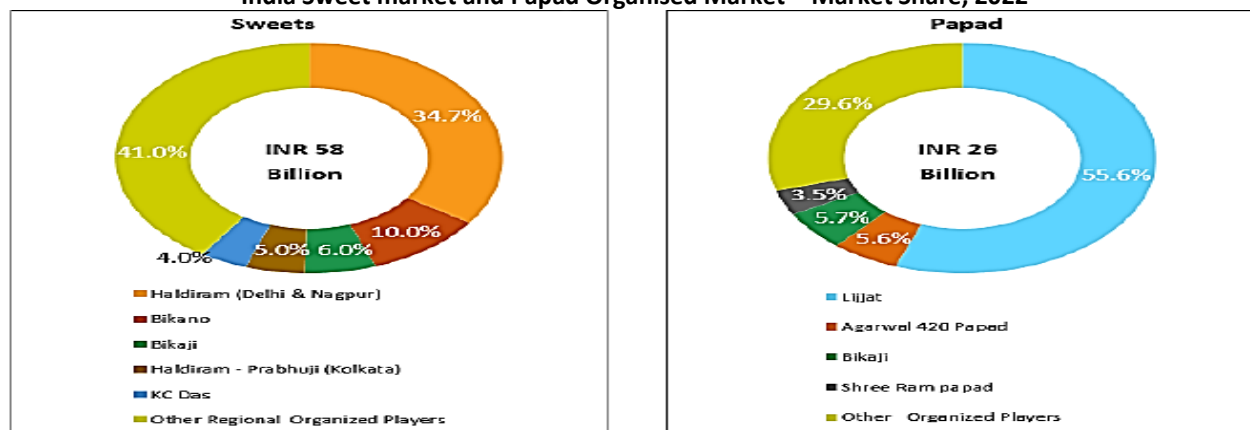
## COMPETITION

Bikaji faces intense competition in the Indian snack food market, from various domestic and multinational companies in India. They have a very diverse portfolio of traditional Indian snacks catered for the varying tastes and preferences of Indians across the globe. Some of the key competitors include **Haldiram Foods International Pvt Ltd, Bikanerwala, Prataap Snacks Ltd, Balaji Wafers Pvt Ltd, ITC, Pepsico India Holdings Pvt Ltd and DFM Foods Ltd.**

## INDUSTRY OVERVIEW

**India Ethnic Snacks, Western snacks Market – Market Share, 2022**



**India Sweet market and Papad Organised Market – Market Share, 2022**

**COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31<sup>ST</sup> MARCH 2022)**

Name of the Bank	Consolidated / Standalone	Face Value	Total Income for FY 2022 (₹ Cr)	Market Capitalization / Revenue	EPS (Basic) (₹)	NAV	P/E	RoNW (%)
<b>Bikaji Foods International Ltd</b>	<b>Consolidated</b>	<b>1</b>	<b>1,610.96</b>	<b>NA</b>	<b>3.15</b>	<b>32.83</b>	<b>[ • ]</b>	<b>9.51%</b>
<b>Listed Industry Peers</b>								
Prataap Snacks Ltd	Consolidated	5	1,396.62	1.56	1.24	266.17	748.91	0.47%
DFM Foods Ltd	Consolidated	2	554.45	3.48	(4.93)	30.38	(77.84)	(16.21)%
Nestle India Ltd	Consolidated	10	14,709.41	12.66	222.46	216.20	86.85	102.90%
Britannia Industries Ltd	Consolidated	1	14,136.26	6.45	63.31	105.37	59.75	60.08%

Source: RHP; \*P/E Ratio has been computed based on the closing market price (October 7, 2022) of equity shares on BSE.

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Bikaji Foods International Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed the RHP with the RoC and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of Securities and Exchange Board of India at [www.sebi.gov.in](http://www.sebi.gov.in), on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) as well as on the websites of the BRLMs, Axis Capital Limited at [www.axiscapital.co.in](http://www.axiscapital.co.in). Investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

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