

September 09, 2025

Mrs. Bectors Food Specialities Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based bank facilities (Term loans)	122.85	67.50	[ICRA]AA (Stable); reaffirmed
Long-term fund-based bank facilities (Cash credit)	40.00	40.00	[ICRA]AA (Stable); reaffirmed
Short-term fund-based bank facilities	50.00	75.00	[ICRA]A1+; reaffirmed
Short-term non-fund-based bank facilities	14.00	12.00	[ICRA]A1+; reaffirmed
Long-term/ Short-term unallocated	198.15	103.00	[ICRA]AA (Stable)/[ICRA]A1+ reaffirmed
Total	425.00	297.50	

*Instrument details are provided in Annexure I

Rationale

The rating reaffirmation factors in ICRA's expectation of continued healthy operational performance of Mrs. Bectors Food Specialities Limited (MBFSL), supported by its established brands in biscuits and bakery segments, extensive experience of its promoters in the industry, its well-entrenched distribution network and wide market reach across northern India. The ratings also factor in MBFSL's established relationships with reputed institutional clients for biscuit exports under private labelling, and large Quick Service Restaurant (QSR) customers for its institutional bakery items (buns and breads). In FY2025, the company registered a healthy growth of appx. 15% in its revenues, led by a strong YoY segmental growth in both its breads and bakery segments. With the ongoing capacity enhancements in its breads and bakery businesses, the company is expected to have adequate capacity to scale up its operations over the medium term while regionally diversifying its presence. ICRA expects MBFSL's revenues to grow by 9-11% over FY2026 and FY2027 led by its increasing distribution reach, with focus on expansion in western and southern India. The recent changes in GST rates, with biscuits revised to 5% from 18%, is expected to support consumer demand and aid company's revenue prospects. The operating profit margins are expected to remain at 12-13%, as benefits of operating leverage will be offset by MBFSL's investments towards marketing and brand building, as well as elevated raw material prices in the near term.

A sustained growth in revenues together with healthy profitability, inherently low working capital requirements of the business and phased capacity expansions have supported the company's cash flows over the years, keeping its reliance on debt limited. The company successfully completed its Qualified Institutional Placement(QIP) in September 2024, which resulted in infusion of Rs. 400 crore. The proceeds from the same have been used for debt prepayment and towards part-funding the ongoing capex. Along with sustained accretion to reserves, this has translated into an improvement in MBFSL's capitalisation and coverage metrics; a sustenance of healthy business performance is expected to help the entity maintain its strong financial risk profile going forward as well.

The ratings also continue to draw strength from the company's well-recognised brands in northern India, its strong distribution network, and its established relationships with reputed institutional clients for biscuit exports, sales of buns and private labels. The ratings also continue to factor in the extensive experience of MBFSL's promoters in the food-processing industry, its regionally diversified manufacturing base across multiple states and favourable growth prospects for the industry.

The ratings, however, remain constrained by MBFSL's exposure to stiff competition from branded as well as local/ regional players, vulnerability of its profitability to adverse movements in raw material prices, and high quality/ reputational risks given

its presence in the food industry. Despite efforts to regionally diversify its presence in recent years, the company continues to derive most of its revenues from northern India, exposing it to geographical concentration risk.

The Stable outlook on long term rating reflects ICRA's expectation that the credit profile of the entity would remain comfortable aided by healthy cash accruals coupled with low external debt and healthy liquidity position.

Key rating drivers and their description

Credit strengths

Healthy operational profile, characterised by well-recognised brands, diversified business presence and established relationships with renowned clients – MBFSL's 'English Oven' and 'Cremica' brands are well recognised in the organised bakery/biscuits industry and have a strong presence and customer acceptance, especially in northern India. The company also benefits from its strong distribution reach and network of distributors, super stockists and retail outlets across the northern states. MBFSL has an established manufacturing footprint as well, with eight units in five states. In addition, MBFSL manufactures biscuits under private labels, supplies buns to institutional clients and has a diversified export presence. Established relationships with a reputed client base ensure regular business, thereby providing steady revenues.

Strong financial risk profile – MBFSL reported a healthy YoY increase of 15% in its operating income in FY2025, led by a strong YoY growth in both its breads and bakery segments, supported by its established brands in both segments, extensive experience of its promoters in the industry, its well-entrenched distribution network and wide market reach across North India. The operating margins remained healthy at over 12%, despite some moderation in FY2025 and Q1 FY2026 owing to raw material inflation and change in product mix. Despite consistent capex undertaken towards capacity expansion, MBFSL's reliance on term debt has remained limited over the years, supported by healthy cash flow generated from operations. Together with consistent accretions to the net worth, this has translated into a comfortable capital structure, as reflected by a gearing of 0.2 times and total outside liabilities vis-à-vis the tangible net worth of 0.3 times as on March 31, 2025. Besides healthy profit margins, this led to strong debt coverage indicators, with an interest cover of 19.5 times and total debt vis-à-vis the operating profit before interest, depreciation and taxes (OPBDITA) of 0.7 time as on March 31, 2025. The company is in the middle of undertaking large capex of Rs. 310-320 crore and Rs. 100-150 crore towards capacity expansion in FY2026 and FY2027, respectively. Despite this, the healthy cash accruals are likely to help the company maintain a strong financial risk profile.

Favourable demand outlook for the packaged foods industry – The packaged foods industry is expected to grow at a healthy pace in the future owing to India's large population base, rising spending ability, rising consumer awareness of hygiene and cleanliness, and a shift in preference towards branded products. MBFSL is expected to benefit from this growth as it operates in the premium biscuits and breads segment.

Extensive experience of promoters – MBFSL was founded by Mrs. Rajni Bector and is currently led by Mr. Anoop Bector. The promoters have more than three decades of experience in the biscuits and bakery industry. The company has also recently strengthened its leadership and operational teams as it onboarded experienced professionals at various positions (including CEO, IT head, project head, CHRO and CFO), which is expected to further support the company's strategy of expanding its presence across various geographies in the medium term.

Credit challenges

Geographical concentration of revenues in northern states – The company generates a substantial portion of its revenues in the biscuits segment from Punjab, Jammu & Kashmir, Haryana and Uttar Pradesh, among other northern states, while its bakery (retail) business revenues are generated from the Delhi National Capital Region (NCR), Mumbai and Bengaluru. This exposes the company to geographical concentration risks. Despite the healthy YoY revenue growth, the overall scale of operations remains moderate vis-à-vis the established national players. However, the company is gradually expanding its manufacturing network across the country to strengthen its presence in other regions, mainly western and southern India. The company is expanding its breads and buns capacity in Khopoli (Maharashtra) to deepen its reach in the Mumbai and Pune markets, which

have high demand for premium bakery products. Further, with new biscuit capacities commissioned in Dhar (Madhya Pradesh), penetration into central, eastern and southern markets will become more feasible in terms of cost economics.

Intense competition from local as well as other established players – In the breads segment, the company faces stiff competition from local/regional as well as national players as the market remains a fragmented one. In the biscuits segment as well, the company faces stiff competition from established brands and companies like Britannia Industries Limited, Anmol Industries Limited, Mondelez India Fooda Limited, Parle Products Private Limited and ITC Limited, to name a few, given its focus on the mid-premium and premium categories.

Vulnerability of profitability to raw material price increases, exposure to quality and reputation risks – Given the intense competition in the segments in which the company operates, it is not possible to immediately and fully pass on any cost increases to end-consumers. As a result, MBFSL's operating profitability remains vulnerable to major changes in raw material prices. As witnessed in past fiscals, a sharp rise in prices of palm oil (a key raw material for biscuits), sugar and flour, among others, adversely impacted its operating margins. As MBFSL operates in the food industry, risks related to quality and reputation remain high.

Environmental and Social Risks

Environmental considerations: FMCG companies remain exposed to the impact of changes in environmental norms with respect to the treatment of manufacturing residual discharge/waste. Accordingly, MBFSL could face operational disruptions if regulatory norms are not complied with. Further, with increasing awareness and restrictions on usage of different grades of plastics for packaging and finding environment-friendly solutions, the company's cost structure may be impacted. There is also a trend towards using organically grown input materials. Such developments can potentially increase costs for FMCG companies like MBFSL. As the company has considerable dependence on agri commodities, it remains exposed to agro-climatic risks, which could result in variation in crop output/prices. Overall, entities in the FMCG industry have a low exposure to environmental risks, further supported by their better pricing power, reflected in their ability to pass on the increase in cost over time.

Social considerations: On the social front, the FMCG sector has a prominent dependence on human capital, in terms of direct and indirect employees as well as contractual labour. Besides, there could be quality concerns that FMCG entities like MBFSL could face, which may adversely impact their brand. There are also risks that an entire product category could face from social considerations pertaining to health concerns. While these risks are product category-specific, the overall exposure of the FMCG sector to social risks remains low to moderate.

Liquidity position: Strong

MBFSL's liquidity profile is **strong**, aided by healthy cash flow generation from operations, low debt repayment obligations, and phased capex implementation plans, which are expected to keep its reliance on external funding sources limited. The company has healthy cash and liquid investments (more than Rs. 200 crore as on June 30, 2025) and healthy cushion in working capital limits. The liquidity position is also supported by QIP proceeds of around Rs 62 crore, which have been unutilised as on date. ICRA expects the company's consolidated cash flow from operations as well as accumulated cash and liquid investments to be sufficient to meet its capex (Rs. 310-320 crore in FY2026) as well as debt servicing requirements (Rs. 1.89 crore in FY2026) in the near-to-medium term.

Rating sensitivities

Positive factors – The long-term rating may be upgraded if the company continues to demonstrate a significant growth in its operating income (OI) with expansion in new regions, while maintaining strong profitability, leverage/ coverage metrics and liquidity profile on a sustained basis.

Negative factors – The ratings may be downgraded in case of a material decline in the revenues and/or profit margins, or a sizeable debt-funded capex, which adversely impact MBFSL's debt protection metrics and liquidity position on a sustained

basis. Specific metrics that may result in a rating downgrade include Total debt/OPBITDA of more than 1.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology FMCG
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Mrs. Bectors Food Specialities Limited. As on March 31, 2025, the company had three subsidiaries and an associate that are enlisted in Annexure-2.

About the company

Incorporated in 1995, MBFSL manufactures biscuits and bakery products that are marketed under Mrs. Bector's Cremica and Mrs. Bector's English Oven brands, respectively. MBFSL has manufacturing units at eight locations, namely Phillaur (Punjab), Tahlial (Himachal Pradesh), Rajpura (Punjab), Bhiwadi (Rajasthan), Greater Noida (Uttar Pradesh), Dhar (Madhya Pradesh), Mumbai and Bengaluru. The company operates in the consumer segment through its network of distributors and retailers, besides supplying to export markets and catering to institutional customers.

MBFSL was originally established as a joint venture (JV) with Quaker Oats for supplying condiments such as ketchups and sauces to McDonalds. The JV partner withdrew in 1999 and in 2007, the biscuits and bakery businesses were transferred to MBFSL through a slump sale. During 2013-2014, the company, pursuant to a business reorganisation scheme, demerged its food supplements (sauces, spreads, and savouries) division to a separate company, Cremica Food Industries Limited. In December 2020, the company was listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Key financial indicators

Consolidated	FY2024	FY2025
Operating income	1,624	1,874
PAT	140	143
OPBDIT/OI	14.9%	13.4%
PAT/OI	8.6%	7.6%
Total outside liabilities/Tangible net worth (times)	0.7	0.3
Total debt/OPBDIT (times)	1.0	0.7
Interest coverage (times)	20.5	19.5

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs crore)	09-Sep-2025	Date	Rating	Date	Rating	Date	Rating
Fund Based-Cash Credit	Long Term	40.00	[ICRA]AA (Stable)	Sep 30, 2024	[ICRA]AA (Stable)	Jul 20, 2023	[ICRA]AA- (Positive)	Sep 06, 2022	[ICRA]AA- (Stable)
Unallocated-Unallocated	Long Term/Short Term	103.00	[ICRA]AA (Stable)/[ICRA]A1+	Sep 30, 2024	[ICRA]AA (Stable)/[ICRA]A1+	Jul 20, 2023	[ICRA]AA- (Positive)/[ICRA]A1+	Sep 06, 2022	[ICRA]AA- (Stable)/[ICRA]A1+
Fund Based-Term Loan	Long Term	67.50	[ICRA]AA (Stable)	Sep 30, 2024	[ICRA]AA (Stable)	Jul 20, 2023	[ICRA]AA- (Positive)	Sep 06, 2022	[ICRA]AA- (Stable)
Fund Based-Others	Short Term	75.00	[ICRA]A1+	Sep 30, 2024	[ICRA]A1+	-	-	-	-
Non Fund Based-Others	Short Term	12.00	[ICRA]A1+	Sep 30, 2024	[ICRA]A1+	Jul 20, 2023	[ICRA]A1+	Sep 06, 2022	[ICRA]A1+
Fund Based-Cash Credit	Short Term			-	-	Jul 20, 2023	[ICRA]A1+	Sep 06, 2022	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term-Fund Based-Cash Credit	Simple
Long Term-Fund Based-Term Loan	Simple
Long Term / Short Term-Unallocated-Unallocated	NA
Short Term-Fund Based-Others	Simple
Short Term-Non Fund Based-Others	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term fund-based bank facilities (Term loans)	FY2024	NA	FY2033	67.50	[ICRA]AA(Stable)
NA	Long-term fund-based bank facilities (Cash credit)	NA	NA	NA	40.00	[ICRA]AA(Stable)
NA	Fund-based bank facilities	NA	NA	NA	75.00	[ICRA]A1+
NA	Non-fund-based bank facilities	NA	NA	NA	12.00	[ICRA]A1+
NA	Short-term/long-term unallocated limits	NA	NA	NA	103.00	[ICRA]AA(Stable)/[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	MBFSL Ownership	Consolidation Approach
Bakebest Foods Private Limited	100%	Full Consolidation
Mrs. Bectors English Oven Limited	100%	Full Consolidation
Mrs. Bectors Food International FZE	100%	Full Consolidation
Cremica Agro Foods Limited	43.09%	Equity Method

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