December 08,2025

Unibic Foods India Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Term loan	8.00	8.00	[ICRA]BBB+(Stable) reaffirmed
Long term/Short Term – Fund based working capital limits	120.00	122.00	[ICRA]BBB+(Stable)/[ICRA]A2 reaffirmed/assigned
Total	**128.00**	**130.00**	

**Instrument details are provided in Annexure-I*

Rationale

ICRA had earlier taken a consolidated view of Unibic Foods India Private Limited (Unibic) and its subsidiary, RPA Unibakes Private Limited (RPA Unibakes), while assigning credit ratings, given their common management and significant operational and financial linkages. However, in November 2025, Unibic sold its entire stake in RPA Unibakes to Parsons Nutritionals Private Limited at an enterprise value of Rs. 141 crore and simultaneously entered into a goods purchase agreement with RPA Unibakes. Following this transaction, ICRA has revised its rating approach for Unibic from consolidated to standalone, as RPA Unibakes is no longer a part of the Unibic Group.

The ratings reaffirmation factors in ICRA's expectations that the performance of Unibic is expected to gradually improve over the medium term, benefitting from steady demand outlook for its product portfolio and improving geographical presence within the country. An improvement in cash flow from operations, coupled with substantial reduction in net debt position of the entity (benefitting from the receipt of funds from stake sale in RPA Unibakes) is likely to help the company report improved debt coverage indicators.

The entity reported revenue of Rs. 814 crore in FY2025, a modest YoY growth of 1%. The growth was subdued on account of relatively weak urban consumer demand. The company is expected to record a revenue growth of around 10% in the current fiscal, aided by an improvement in consumer demand and increasing presence across formats like modern trade. The entity reported a steep decline in the operating margin to -1.8% on a standalone basis from 3.2% in FY2024 on account of a rise in major raw material prices (primarily palm oil). A moderation in raw material costs coupled with price hikes undertaken by the entity to pass on the inflationary pressure is expected to result in an improvement in the operating margin, going forward. Even as the debt coverage indicators are expected to remain under pressure in FY2026, they are likely to materially improve from FY2027 (aided by improved performance and lower debt on the books.)

A sustained growth in revenues together with moderate profitability, inherently low working capital requirement of the business and limited capex plans have supported the company's cash flows over the years and kept the coverage indicators at healthy level albeit some moderation in FY2025. The liquidity position of the company as on date remains healthy, with cash and investments of more than Rs. 60 crore (aided by receipt of approximately Rs. 60 crore post the stake sale). The ratings continue to draw strength from the company's well recognised brand, its strong distribution network, and its established relationships with reputed institutional clients. The ratings also continue to factor in the extensive experience of Unibic's promoters in the biscuit industry and favourable growth prospects for the industry. Unibic's promoter, Peepul Capital, extended an interim support of Rs. 20 crore to the entity in Q1 FY2026, to help fund the company's working capital borrowings.

The ratings, however, remain constrained by the company's exposure to stiff competition from branded as well as local/ regional players, vulnerability of the company's profitability to adverse movements in raw material prices, and high quality/ reputational risks, given the company's presence in the food industry. Further, there has been fluctuations in the operating margins due to increased raw material prices, which are usually passed on to customers with a lag. Even as the margin of the company is expected to witness some pressure in the near term on account of inflationary pressure, the company's debt coverage metrics are expected to remain at comfortable levels. ICRA notes that the company, over the past few years, extended support to its Group company, Oriental Cuisines Private Limited, which is engaged in bakery business. Any material extension of support to Group entities, weakening the company's financial risk profile, remains monitorable.

The Stable outlook reflects ICRA's expectation that Unibic is likely to witness a healthy growth in revenues in the near-to-medium term, backed by its strong brand name and distribution network. The profitability of the company is also likely to gradually improve, helping the company report improved credit metrics commensurate to the rating category.

Key rating drivers and their description

Credit strengths

Operational profile characterised by well recognised brands, diversified business presence and established relationships with renowned clients – The Unibic brand is well recognised in the biscuits industry, and the company enjoys a strong presence and customer acceptance across India. Further, the company has a strong distribution reach through its network of distributors and retail outlets across the country. It has diversified channels of distribution including modern trade, canteen stores, institutional sales and private labels besides the traditional channel. In addition, it manufactures biscuits under private label for clients like Indigo Airlines. The company's established relationships with a reputed client base ensures regular business, providing steady revenues**.**

Favourable demand outlook for the packed foods industry – The packed foods industry is expected to grow at a healthy pace in the future owing to a large population base, rising spending ability, increasing consumer consciousness about hygiene and cleanliness, and a shift in preference towards branded products consumption. Unibic is expected to benefit from this growth as it operates in the premium biscuits segment.

Extensive experience of promoters – Unibic's promoters have more than two decades of experience in the biscuits industry. Over the years, Unibic has become an established brand in the business and enjoys good brand recognition and customer acceptance across India.

Credit challenges

Intense competition from local players and other established players; high quality and reputation risks – The company faces stiff competition from local/regional as well as national players as the market remains fragmented. In the biscuits segment, the company faces stiff competition from established brands like Britannia, Anmol Industries, Mondelez, Parle and ITC among others, given its focus on the mid-premium and premium categories. Risks related to quality and reputation also remain high as the company operates in the food industry.

Vulnerability of profitability to raw material price increases – 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. As a result, Unibic's operating profitability remains vulnerable to major changes in raw material prices. This was witnessed in FY2022 as well as in FY2025, wherein a sharp increase in the prices of palm oil (one of the key raw materials used in manufacturing biscuits) materially affected its operating margins.

Extension of support to other entities – Unibic has extended loans and advances worth around Rs. 34 crore to Oriental Cuisines Private Limited as on November 30, 2025, which is majority held by Peepul Capital LLC. The extension of support has led to higher dependence on external debt for the company, impacting the credit metrics to an extent. Any further extension of support to other entities, would remain a key monitorable, going forward.

Liquidity position: Adequate

Unibic's liquidity is likely to remain adequate, aided by expectation of improved cash flow generation from operations and healthy cash and equivalents of more than Rs. 60 crore as of November 30, 2025. The entity does not have major capex plan in the near future. It has limited repayment obligations (Rs. 1.2 crore) in the current fiscal.

Rating sensitivities

Positive factors – ICRA could upgrade Unibic's ratings if the company demonstrates a sustained rise in its operating income and profitability, leading to improvement in liquidity position and debt coverage indicators on a sustained basis.

Negative factors – The ratings may be downgraded in case of sustained pressure on the company's operating performance, adversely impacting the debt protection metrics and liquidity position of the entity. Any large debt-funded capex or significant outflow of funds in the form of financial support to Group entities may also result in ratings downgrade. Specific credit metrics which may lead to ratings downgrade include an interest coverage of less than 3.5 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	Standalone

About the company

Unibic (erstwhile Unibic Biscuits India Private Limited) was incorporated in India in 2004 and manufactures speciality cookies. Unibic, established as the Indian arm of Unibic Australia, was acquired under a stake sale by Lazard in 2011 and was subsequently sold to Peepul Capital LLC in 2013. UNIBIC had a factory located in Bangalore with multiple wire-cut manufacturing lines. The Group proceeded to close the facility in FY2024 and set up a new unit in Hyderabad (under RPA Unibakes Private Limited, previously a completely held subsidiary of UNIBIC). The stake in RPA Unibakes was divested to Parsons Nutritionals Private Limited in November 2025. Unibic's product range includes over 30 different cookie variants such as chocolate chips, oatmeal, butter, cashew, milk and sugar-free cookies. The company has a pan-India distribution network, although the major part of its revenue is derived from the southern part of the country. Unibic also manufactures cookies under private label for Indigo Airlines, Art of Living, Chai Point and Feasters (More).

Key financial indicators (audited)

Unibic Standalone	FY2024	FY2025
Operating income	801.5	813.0
PAT	13.8	-19.0
OPBDIT/OI	3.2%	-1.8%
PAT/OI	1.7%	-2.3%
Total outside liabilities/Tangible net worth (times)	1.4	2.0
Total debt/OPBDIT (times)	3.2	-8.3
Interest coverage (times)	3.9	-1.4

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 ratings (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	**Type**	**Amount rated (Rs crore)**	**08-Dec-25**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund-based-Cash credit	Long Tem/Short Term	122.00	[ICRA]BBB+ (Stable)/[ICRA]A2	Nov 25, 2024	[ICRA]BBB+ (Stable)/[ICRA]A2	-	-	-	-
Fund-based-Term loan	Long Term	8.00	[ICRA]BBB+ (Stable)	Nov 25, 2024	[ICRA]BBB+ (Stable)	-	-	Dec 09, 2022	[ICRA]BBB+ (Stable)
Fund-based-Cash credit	Long Term			Nov 25, 2024	[ICRA]BBB+ (Stable)	Nov 27, 2023	[ICRA]BBB+ (Stable)	Dec 09, 2022	[ICRA]BBB+ (Stable)
Unallocated limits-Unallocated limits	Long Tem/Short Term			Nov 25, 2024	[ICRA]BBB+ (Stable)/[ICRA]A2	Nov 27, 2023	[ICRA]BBB+ (Stable)/[IC RA]A2	Dec 09, 2022	[ICRA]BBB+ (Stable)/[ICRA] A2
Non-fund based-Others	Short Term			-	-	-	-	Dec 09, 2022	[ICRA]A2

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based – Cash Credit/WCDL	Simple
Fund based-Term Loans	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	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Cash Credit/WCDL**	NA	NA	NA	122.00	[ICRA]BBB+(Stable)/[ICRA]A2
NA	**Term Loan**	FY2026	10%	FY2029	8.00	[ICRA]BBB+(Stable)

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis-Not Applicable

ANALYST CONTACTS

Jitin Makkar
+91 124 4545368
jitinm@icraindia.com

Srikumar Krishnamurthy
+ 91 44 45964318
ksrikumar@icraindia.com

Rohan Kanwar Gupta
+91 124 4545808
rohan.kanwar@icraindia.com

Gaurav Singla
+91 124 4545366
gaurav.singla@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches