

December 22, 2025

## Bikanervala Foods Private Limited: Ratings upgraded

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Fund-based - Working capital facilities	70.00	70.00	[ICRA]A+ (Stable); upgraded from [ICRA]A(Stable)
Long-term – Fund-based term loans	212.15	132.87	[ICRA]A+ (Stable); upgraded from [ICRA]A(Stable)
Short-term- Non-fund based limits	50.40	50.40	[ICRA]A1; upgraded from [ICRA]A2+
<b>Total</b>	<b>332.55</b>	<b>253.27</b>	

\*Instrument details are provided in Annexure I

### Rationale

ICRA has revised its analytical approach for rating the entity. Earlier, ICRA took a consolidated view of Bikanervala Foods Private Limited (BFPL) and its sister concern Bikanervala Private Limited (BPL) while assigning the credit ratings, given the common management, significant operational and financial linkages between the entities. Over the past one year, the linkages between BFPL and BPL have reduced, and there are no financial linkages between the two entities. ICRA understands that both the entities are being managed independently, and there is unlikely to be any extension of support between the entities as confirmed with the management. Accordingly, ICRA now factors in the financials of BFPL while evaluating its credit profile.

The rating upgrade of BFPL factors in the expectation of an improvement in the credit profile of the entity, aided by sustained healthy cash flows for the entity on the back of favourable demand outlook for the packaged snack foods industry. This, coupled with scheduled repayment as well prepayment of long-term debt, is expected to improve debt coverage and leverage metrics of the company. The entity reported 8% growth in revenues to Rs 1,420 crore in FY2025, which was accompanied by a slight decline in margins to around 8%, as production linked incentive (PLI)benefits couldn't be factored in that fiscal owing to delay in receipt of the same. However, the company is expected to report healthy growth of 12-14% in revenues in the current fiscal, coupled with improvement in operating margins to 10-11%, driven by softening of raw material prices (along with recognition of PLI benefits attributable to FY2024). Aided by healthy cash flows and limited capex outgo, the long-term debt has also significantly reduced to Rs. 136 crore as on October 31, 2025 from Rs. 202 crore as on March 31, 2025.

The ratings continue to draw strength from the company's strong operational profile with a well-entrenched distribution network across northern India, strong market position in the packaged food industry, and established presence and brand equity of the Bikano brand. The ratings also continue to factor in the inherently low working capital intensity of the business which has supported the company's adequate liquidity position with sufficient cushion in fund-based limits.

However, the ratings remain constrained by BFPL's exposure to stiff competition from branded packaged food players, both large multinationals and medium-sized domestic players, as well as local sweets and savouries (*namkeen*) manufacturers and counterfeits. Although a strong brand hedges against raw material price movements, the company has witnessed fluctuations in OPBDITA margins in the last few years. Moreover, maintaining high-quality standards remains key, given the inherent risks associated with operating in the food industry.

The Stable outlook on the long-term rating reflects ICRA's expectations that the company will continue to generate healthy cash accruals and maintain a strong credit profile over the medium term, commensurate to the rating levels.

## Key rating drivers and their description

### Credit strengths

**Strong brand recognition and extensive distribution network** – The company has presence in packaged foods/snacks (sales of savouries and sweets). It sells *namkeens* and sweets under the brand Bikano, which is well recognised and enjoys good customer acceptance in northern India.

BFPL sells its products through a network of super-stockists, distributors and retailers across northern India. Together with its brand strength, the established distribution network makes it relatively easier for BFPL to introduce new products.

**Favourable demand outlook for packaged snack foods industry in India** – The demand for packaged snacks is driven by factors such as a large population base, increasing spending ability and a shift towards branded product consumption. Further, increased preference for hygienic products, post the pandemic, has led to a robust growth in demand for packaged snacks in the recent fiscals.

**Low working capital intensity of operations** – The working capital intensity of the business remains inherently low as the company offers limited credit period and carries low inventory due to the perishable nature of the food products. The same has helped the entity limit its dependence on working capital borrowings and supported the credit profile.

### Credit challenges

**Exposure to intense competition** – The entity faces competition from other established brands like Haldiram's, Bikaji, Lays, Kurkure, etc., besides the local players/unorganised segment.

**Exposure to raw material price and quality 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. As a result, BFPL's operating profitability remains vulnerable to major changes in raw material prices. As witnessed in the past fiscals, a sharp increase in the prices of palm oil affected its operating margins. Moreover, maintaining high-quality standards remains a significant challenge, given the inherent risks associated with operating in the food industry.

### Liquidity position: Adequate

The company's liquidity profile remains adequate, with the company's cash flows from operations (Rs. 110-120 crore expected in FY2026) expected to be sufficient to fund its scheduled repayment obligations in the near to medium term (~Rs. 61 crore in FY2026). The entity also has a comfortable cushion in its fund-based working capital limits (~Rs. 60 crore at the end of October 2025). The company does not have any major capex plans in the upcoming fiscals.

### Rating sensitivities

**Positive factors** – The ratings could be upgraded if the company demonstrates healthy growth in revenues and profitability, translating into healthy capitalisation and coverage metrics.

**Negative factors** – The ratings could be downgraded if material weakening of profitability or significant debt-funded capex results in weakening of capitalisation and coverage metrics. A specific metric for a downgrade would be Total Debt/OPBDITA higher than 1.8 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">FMCG</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

Incorporated in 1988 by Mr. Shyam Sunder Aggarwal, BFPL is a closely held company that manufactures snacks like *namkeens*, sweets, biscuits, etc., under the Bikano brand, through its manufacturing facilities in Delhi, Greater Noida (Uttar Pradesh), Rai (Haryana), Jewar (Uttar Pradesh) and Hyderabad (Telangana). The Bikano brand is also used for operating owned and franchisee café outlets by the company. In addition, the Group owns and operates restaurants as well as franchisee outlets under the Bikanervala brand.

The company had acquired a 48% stake in Bikano Foods Private Limited in FY2019 and increased it to 100% in FY2020. Bikano Foods owns a snack manufacturing facility in Rai. Further, BFPL had announced the merger of Bikano Foods Private Limited with itself. The NCLT's approval for the same was received in July 2023 and the merger was effective from April 1, 2022.

## Key financial indicators (audited)

	BFPL Consolidated		BFPL Standalone^
	FY2024	FY2025	7M FY2026*
<b>Operating income</b>	1,316	1,420	1,019
<b>PAT</b>	46	18	119
<b>OPBDIT/OI</b>	10.7%	8.1%	16.0%
<b>PAT/OI</b>	3.5%	1.2%	11.7%
<b>Total outside liabilities/Tangible net worth (times)</b>	1.3	1.0	0.6
<b>Total debt/OPBDIT (times)</b>	2.3	2.2	0.5
<b>Interest coverage (times)</b>	5.7	4.9	17.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; \*Provisional financials^ Since all subsidiaries under BFPL have been shifted to group companies from FY2026, Standalone numbers have been provided for 7MFY2026

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Instrument	Current rating (FY2026)				Chronology of rating history for the past 3 years				
	Type	Amount rated (Rs crore)	22-Dec-2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
<b>Fund-based-Cash credit</b>	Long-term	70.00	[ICRA]A+ (Stable)	Mar 07, 2025	[ICRA]A (Stable)	Mar 26, 2024	[ICRA]A (Stable)	Feb 09, 2023	[ICRA]A (Stable)
<b>Fund-based-Term loan</b>	Long-term	132.87	[ICRA]A+ (Stable)	Mar 07, 2025	[ICRA]A (Stable)	Mar 26, 2024	[ICRA]A (Stable)	Feb 09, 2023	[ICRA]A (Stable)
<b>Non-fund based-Others</b>	Short-term	50.40	[ICRA]A1	Mar 07, 2025	[ICRA]A2+	Mar 26, 2024	[ICRA]A2+	Feb 09, 2023	[ICRA]A2+

## Complexity level of the rated instruments

Instrument	Complexity indicator
Fund- based - Working Capital Facilities	Simple
Fund based Term Loans	Simple
Non-Fund based limits	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	<b>Fund-based - Working Capital Facilities</b>	NA	NA	NA	70.00	[ICRA]A+ (Stable)
NA	<b>Term loans</b>	FY2017-FY2024	NA	FY2025-FY2029	132.87	[ICRA]A+ (Stable)
NA	<b>Non-fund based limits</b>	NA	NA	NA	50.40	[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-Not applicable**

## ANALYST CONTACTS

**Jitin Makkar**  
+91 124 4545368  
[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**Srikumar Krishnamurthy**  
+ 91 44 45964318  
[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

**Rohan Kanwar Gupta**  
+91 124 4545808  
[rohan.kanwar@icraindia.com](mailto:rohan.kanwar@icraindia.com)

**Gaurav Singla**  
+91 124 4545366  
[gaurav.singla@icraindia.com](mailto:gaurav.singla@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)  
[info@icraindia.com](mailto: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](http://www.icra.in)

## ICRA Limited



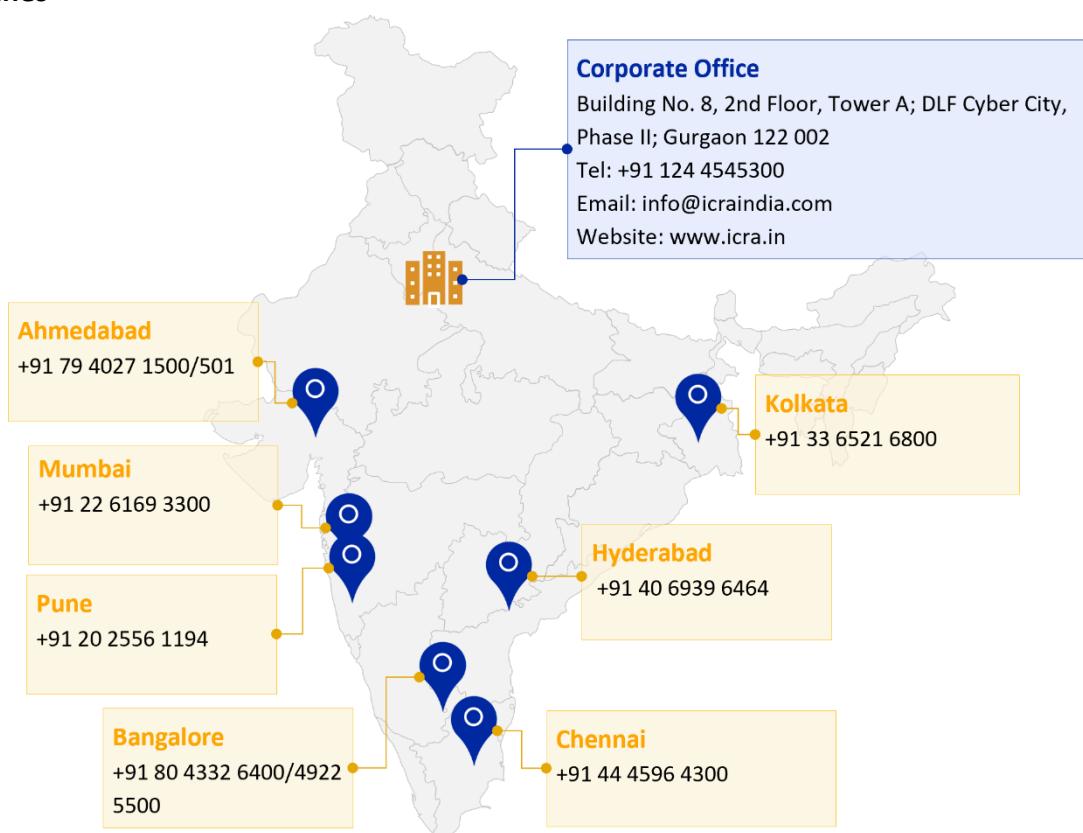
### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.