

March 10, 2026

Bakebest Foods Private Limited:[ICRA]AA(Stable)/[ICRA]A1+ assigned

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Long term/Short term-Fund based/Non fund based unallocated limits	60.00	[ICRA]AA (Stable)/[ICRA]A1+; assigned
Total	60.00	

*Instrument details are provided in Annexure-I

Rationale

While arriving at the ratings, ICRA has taken a consolidated view of Mrs Bectors Food Specialities Limited (MBFSL) and Bakebest Foods Private Limited (BFPL), commonly referred to as the Group, given the close business, financial and managerial linkages among the entities.

The rating action 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. Moreover, the extensive experience of its promoters in the industry, its well-entrenched distribution network and wide market reach across northern India provide further comfort. 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 15% in its operating income, led by a strong YoY segmental growth in both its bread and bakery segments. The revenue growth moderated to around 8% in 9M FY2026 owing to weak demand from export markets (impacted by USA tariffs), leading to lower-than-expected growth in biscuits segment. The ongoing capacity enhancements in both breads and bakery businesses is expected to generate adequate surplus capacity for the company to scale up over the medium term as well as regionally diversify its presence. ICRA expects MBFSL's revenues to grow at moderate pace over the medium term, driven by its increasing distribution reach, with focus on expansion in western and southern regions. The operating profit margins are expected to remain at 12-13.5%, as benefits of operating leverage will be offset to an extent by the company's investments towards marketing and brand-building and elevated raw material prices in the near term.

A sustained revenue growth, together with healthy profitability, inherently low working capital requirements 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 the infusion of Rs. 400 crore. The proceeds from the same have been used for debt prepayment and towards part-funding of the ongoing capex. Along with sustained accretion to reserves, the proceeds from the QIP improved the company's capitalisation and coverage metrics. The sustenance of healthy business performance is expected to help the entity maintain strong financial risk profile going forward.

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 labelling. 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 provide further comfort.

The ratings, however, remain constrained by 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 and reputational risks, given its presence in the food industry. Despite efforts made in recent years to regionally diversify its presence, the company continues to derive most of its revenues from the northern Indian states, exposing it to concentration risk. The ratings continue to be constrained by its 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 and reputational risks, given MBFSL's presence in the food industry.

The Stable outlook on the long-term rating reflects ICRA's expectation that the credit profile of the entity will remain

comfortable, aided by healthy cash accruals, coupled with low external debt and a 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 nine units in eight 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 strong YoY growth in both its breads and bakery segments, supported by its established brands in both segments, the extensive experience of its promoters in the industry, its well-entrenched distribution network, and its wide market reach across North India. The revenue growth moderated slightly to 8% in 9M FY2026 owing to lower-than-expected revenue growth in the biscuits division. The operating margins remained healthy at over 12%, despite some moderation in FY2025 and 9M FY2026 owing to raw material inflation and a 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 flows 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 0.1 times and total outside liabilities vis-à-vis the tangible net worth of 0.3 times as on December 31, 2025. Besides healthy profit margins, this has led to strong debt coverage indicators, with an interest cover of 22.5 times and total debt vis-à-vis the operating profit before interest, depreciation and taxes (OPBDITA) of 0.6 times as on December 31, 2025.

Favourable demand outlook for the packaged foods industry – The packaged foods industry is expected to grow at a healthy pace in future, owing to India's large population base, rising spending ability, increasing 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 by onboarding experienced professionals in 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 fragmented. In the biscuits segment as well, the company faces stiff competition from established brands and companies such as Britannia Industries Limited, Anmol Industries Limited, Mondelez India Foods 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.

Environment 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 and waste. Accordingly, MBFSL could face operational disruptions if regulatory norms are not complied with. Further, with increasing awareness and restrictions on the usage of different grades of plastics for packaging, and the need to find 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 and 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 cost increases over time.

Social considerations: The 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 the company's reliance on external funding sources limited. The company has healthy cash and liquid investments (around Rs. 150 crore as on December 31, 2025) and healthy cushion in working capital limits. 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 as well as debt servicing requirements in the near-to-medium term.

Rating sensitivities

Positive factors – The long-term rating may be upgraded if the company reports 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-II.

About the company

Bakebest was set up as a 100% subsidiary of MBFSL to manufacture buns for the bakery products division of the parent entity in Mumbai and commenced operations in 2013. It supplies buns to leading QSR chains and supplies bread and other bakery products under its English Oven brand to modern retail chains and distributors.

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 nine locations, namely Phillaur and Rajpura(Punjab), Tahliwal (Himachal Pradesh), Bhiwadi (Rajasthan), Greater Noida (Uttar Pradesh), Dhar (Madhya Pradesh), Kolkata(West Bengal), Khopoli(Maharashtra) and Bengaluru(Karnataka). The company operates in the consumer segment through its network of distributors and retailers, besides supplying to export markets and catering to institutional customers.

In December 2020, the company was listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Key financial indicators (audited)

MBFSL (Consolidated)	FY2024	FY2025	9M FY2026*
Operating income	1,624	1,874	1,558
PAT	140	143	105
OPBDIT/OI	14.9%	13.4%	12.6%
PAT/OI	8.6%	7.6%	6.8%
Total outside liabilities/Tangible net worth (times)	0.7	0.3	0.3
Total debt/OPBDIT (times)	1.0	0.7	0.6
Interest coverage (times)	20.5	19.5	22.5

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	10-Mar-26	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based/Non-fund based-Unallocated limits	Long Tem/Short Term	60.00	[ICRA]AA (Stable)/[ICRA]A1+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund-based/Non-fund based-Unallocated limits	NA

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	Fund-based/Non-fund based-Unallocated limits	NA	NA	NA	60.00	[ICRA]AA(Stable)/[ICRA]A1+

Source: Company

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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

Source: Company

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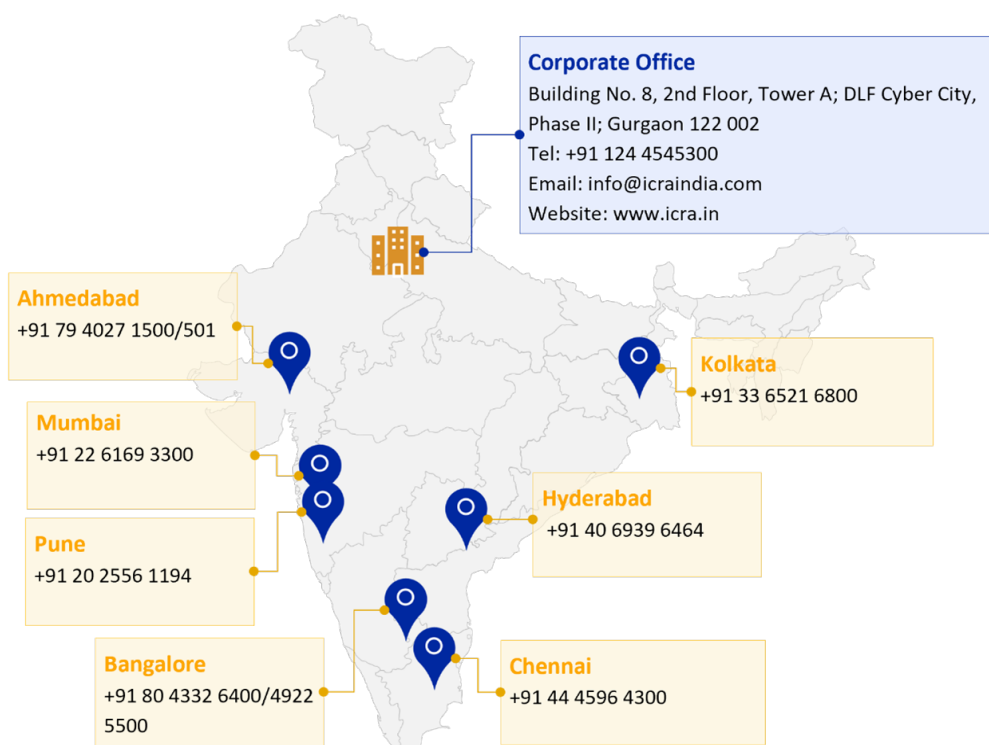
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