August 25, 2025

Bikaji Foods International Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term – Fund based limits- Cash Credit	80.00	80.00	[ICRA]AA-(Stable); reaffirmed
Long term – Fund based - Term Loans	43.18	11.65	[ICRA]AA-(Stable); reaffirmed
Long term/Short term – Unallocated Limits	24.14	55.67	[ICRA]AA-(Stable)/[ICRA]A1+; reaffirmed
Total	**147.32**	**147.32**	

**Instrument details are provided in Annexure I*

Rationale

The ratings reaffirmation on the bank lines of Bikaji Foods International Limited (BFIL) factors in a healthy increase in the scale of operations in FY2025 and an expected improvement in operational and financial performances over the medium term, supported by synergies from the recently added capacities and inorganic expansion. The ratings continue to remain supported by the extensive experience of its promoters in the packaged food industry, its well-entrenched distribution network and deepening market reach across northern India. The ratings also consider BFIL's strong market position on the back of the established Bikaji brand and a healthy revenue growth (5-year CAGR of about 19.5% ending in FY2025), while maintaining profitability. While the company's profit margins moderated by 420 bps to 12.6% in FY2025 due to rise in edible oil and key raw materials prices, the coverage indicators remained healthy with an interest cover of 20.8 times and TD/OPBDITA of 0.7 times in FY2025. Together with low working capital intensity, it continues to report healthy cash flow from operations and has strong liquidity and credit metrics.

The ratings, however, remain constrained by the stiff competition from other branded packaged food players (both large multinationals and large-to-medium-sized domestic players) as well as regional snack manufacturers, which also enjoy relatively better product diversity. As BFIL aims to expand its product offerings and presence in regions outside its core markets of Rajasthan, Bihar and Assam, it is susceptible to market risks, given the difference in tastes and consumer preferences across geographies. These apart, the margins remain vulnerable to adverse movements in raw materials, although a strong brand provides some hedge. Adherence to quality standards remains crucial for the company, which is inherent to its line of business in the food industry.

The Stable outlook on the long-term rating reflects ICRA's expectation that BFIL will be able to sustain its revenue growth and operating metrics. Further, the outlook underlines ICRA's anticipation that the entity's incremental capex, if any, to further expand its capacity will be funded in a manner that BFIL is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters and strong brand recognition – The promoters of the Bikaji Group have almost four decades of experience in preparation and sales of traditional Indian namkeens. It enjoys strong brand presence and customer acceptance in Rajasthan and some other states of India, including Bihar and Assam. Its wide product offerings and established name in traditional bhujia and namkeen give it a competitive advantage in these markets. ICRA notes that BFIL has also ventured into other product segments like sweets, papad, western snack, frozen food and healthy snacks to diversify its portfolio.

Wide distribution network, but high dependence on the Rajasthan sub-market – BFIL is reasonably well positioned in the domestic market, driven by its brand recognition and wide distribution network, which enable the company to increase its market penetration. BFIL sells its products through a network of over 3.26 lakh listed outlets, indirect distributors as well as carrying and forwarding (C&F) agents spread across India. Together with regular capacity additions and deepening market reach, this has enabled the company to clock a double-digit revenue growth (5-year CAGR of 19.5% ending in FY2025). However, ICRA notes the concentration of revenues in the top three states (around 70% over the last five years, majorly from the Rajasthan market). Though BFIL had ventured into tie-ups and setting up manufacturing units in other states, ramp-up of operations, and market share gains in the new states would be monitored, going forward.

Strong financial and operational profiles – BFIL has diversified production capabilities across India spread over nine owned manufacturing units and four contract manufacturing units. ICRA notes that BFIL targets to increase its market share in its focus geographies (Punjab, Haryana, Delhi, Uttar Pradesh, Karnataka and Chhattisgarh), for which it has added facilities in some of these locations. However, these are yet to become significant revenue generators. Given the track record of healthy cash accruals and accumulation of sizeable net worth over the years, BFIL's dependence on debt has remained low. As a result, the company's capital structure continues to be strong, as reflected by a gearing (Total Debt/ Tangible Net Worth) of 0.2 times as on March 31, 2025. Further, low debt levels and healthy profitability translate into robust coverage metrics, as reflected by an interest coverage of 20.8 times and DSCR of 4.7 times as on March 31, 2025. Overall, ICRA expects BFIL's debt metrics and coverage metrics to continue to remain strong.

Credit challenges

Exposed to intense competition in the fragmented foods industry – BFIL operates in a fragmented and unorganised food industry, facing competition from local manufacturers (unorganised) as well as established participants (organised) such as Haldiram, Pepsi Co. India, ITC Limited, Balaji Wafers Private Limited, Prataap Snacks Private Limited, etc. This necessitates high selling expenses to maintain market presence. This apart, BFIL's focus on expanding its presence outside its core market of Rajasthan exposes the company to market risks, given the difference in tastes and consumer preferences across geographies. The company's ability to manage these risks with better product diversity will be monitored.

Vulnerability of earnings to fluctuation in raw material prices – Agricultural products like pulses are BFIL's key raw materials. Prices of these products are highly volatile in nature. This exposes the company's margins to adverse movements in raw material prices. However, BFIL's ability to partially pass on the price hike to its customers due to its reputed brand name and low inventory turnover period mitigate this risk to an extent.

Exposure to quality risks – Quality and reputation related risks remain high for the company as it belongs to the foods industry.

Environmental and social risks

Environmental considerations: Food processing companies remain exposed to the impact of changes in environmental norms with respect to the treatment of manufacturing residual discharge/waste. Accordingly, BFIL 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, BFIL's cost structure may be impacted. Even though there is an increasing focus on achieving carbon neutrality, the likelihood of sudden impactful developments on this front for the industry remains low. There is also a trend towards using organically grown input materials. Such developments can potentially increase costs for FMCG companies. As BFIL has a healthy dependence on agri commodities, it remains exposed to agro-climatic risks, which could result in variation in crop output/prices.

Social considerations: On the social dimension, the sector has prominent dependence on human capital, in terms of direct and indirect employees as well as contractual labour. Being an interplay of manufacturing and services business, maintaining healthy relationships with employees and suppliers, and retaining talent are essential for disruption-free operations. Also, there could be quality concerns, which might adversely impact its brand. The company is also exposed to risks related to health concerns that could impact an entire product category. While these risks are product category specific, the overall exposure of the FMCG sector to social risks remains low or moderate.

Liquidity position: Strong

BFIL's liquidity profile remains strong, supported by sizeable free cash and fixed deposit balances of Rs. 192 crore as on March 31, 2025, and a cushion in the fund-based working capital limits, which stood at 47% of the sanctioned lines on an average during the last 12 months ending in May 2025 (equivalent to around Rs. 37 crore). BFIL does not have any major debt-funded capex plan in the near-to-medium term. BFIL's repayment obligations stand at around Rs. 19.8 crore (consolidated) in FY2026. ICRA expects BFIL's cash accruals and the cash buffer held to be sufficient for servicing the debt repayment obligations.

Rating sensitivities

Positive factors – The long-term rating could be upgraded if BFIL can diversify its product profile/ geographical reach besides recording a consistent growth in its operating income and maintaining healthy profit margins.

Negative factors – The ratings could be downgraded if there is a material decline in the operating income or the profit margin, or if a sizeable debt-funded capex or funding support is extended to other entities, impacting its liquidity position and credit metrics. Specific credit metrics that may lead to ratings downgrade include total debt to OPBITDA of more than 1.8 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	The ratings are based on the company's consolidated financial profile. Details of the subsidiaries have been given in Annexure-II.

About the company

BFIL (previously Shivdeep Industries Limited) was established in 1986 as a partnership concern and was converted into a limited company in October 1995. Subsequently, its shares got listed on the Bombay Stock Exchange and the National Stock Exchange in November 2022. BFIL has nine manufacturing units, out of which six are in Bikaner, Rajasthan, one in Assam, one in Karnataka and one in Maharashtra. It manufactures bhujia, papad, different types of namkeens, sweets, western snack etc. The erstwhile firm used to sell its products under the brand name, Haldiram's. In 1993, a new brand, Bikaji, was developed for its products, which established a good reputation in the Indian packaged food market.

Key financial indicators (audited)

Bikaji Foods International Limited (consolidated)	FY2024	FY2025	Q1 FY2026*
Operating income	2,329.3	2,621.9	652.7
PAT	263.5	194.3	58.5
OPBDIT/OI	16.8%	12.6%	14.8%
PAT/OI	11.3%	7.4%	9.0%
Total outside liabilities/Tangible net worth (times)	0.3	0.3	-
Total debt/OPBDIT (times)	0.4	0.7	-
Interest coverage (times)	34.7	20.8	20.4

*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*

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							
			FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based limits- Cash Credit	Long-Term	80.00	Aug 25, 2025	[ICRA]AA- (Stable)	May 23, 2024	[ICRA]AA- (Stable)	-	-	Feb 23, 2023	[ICRA]AA- (Stable)
Fund based - Term Loans	Long-Term	11.65	Aug 25, 2025	[ICRA]AA- (Stable)	May 23, 2024	[ICRA]AA- (Stable)	-	-	Feb 23, 2023	[ICRA]AA- (Stable)
Unallocated Limits	Long-Term/ Short-Term	55.67	Aug 25, 2025	[ICRA]AA- (Stable)/ [ICRA]A1+	May 23, 2024	[ICRA]AA- (Stable)/ [ICRA]A1+	-	-	Feb 23, 2023	[ICRA]AA- (Stable)/ [ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term – Fund based limits- Cash Credit	Simple
Long term – Fund based - Term Loans	Simple
Long term/Short term – Unallocated Limits	Not Applicable

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	Long Term – Fund based limits- Cash Credit	NA	NA	NA	80.00	[ICRA]AA- (Stable)
NA	Long term – Fund based - Term Loans	FY2017	NA	FY2026	11.65	[ICRA]AA- (Stable)
NA	Long term/Short term – Unallocated Limits	NA	NA	NA	55.67	[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	Ownership	Consolidation approach
Vindhyawasini Sales Private Limited	100.00%	Full Consolidation
Bikaji Foods International USA Corp	100.00%	Full Consolidation
Bikaji Foods Retail Limited	100.00%	Full Consolidation
Bikaji Bakes Private Limited	100.00%	Full Consolidation
Ariba Foods Private Limited	55.00%	Proportionate Consolidation
Petunt Food Processors Private Limited	51.22%	Proportionate Consolidation
Bhujialalji Private Limited	51.02%	Proportionate Consolidation
Bikaji Maa Vindhyawasini Sales Private Limited	51.00%	Proportionate Consolidation
Bikaji Mega Food Park Private Limited*	51.00%	Proportionate Consolidation
Hazelnut Factory Food Products Private Limited	40.40%	Proportionate Consolidation
THF Retail Private Limited	40.40%	Proportionate Consolidation
THF Food Products LLP	40.40%	Proportionate Consolidation

*Source: Company; * Ceased to be a subsidiary from May 15, 2025*

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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.

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