



Bikaji Foods International Limited

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Offer Details

IPO Size	Rs. 881.22 Cr.
Shares Face Value	Rs.1 per share
Shares price band	Rs.285 to Rs.300 per share
Lot	50 shares
Opening Date	November 3, 2022
ClosingDate	November 7, 2022

Business Overview

- **Company is second-fastest growing company** in the organised snacks market in India, providing Indian snacks and sweets, and is the **third-largest ethnic foods company in the country** with a global presence.
- **The company has an international footprint.** In the six months ended June 30, 2022, The company has exported the products to 21 international countries, including North America, Europe, the Middle East, Africa, and Asia Pacific, representing **3.20% of sales of food products.**
- They are the **largest manufacturer of Bikaneri bhujia** with **annual production of 29,380 tonnes**, and **second largest manufacturer of handmade papad** with an **annual production capacity of 9,000 tonnes.**
- Company is **third largest player in the organised sweets market** with **annual capacity of 24,000 tonnes** in fiscal 2022.
- Company **product range is divided into six main categories:** bhujia, namkeen, packaged sweets, papad, western snacks, and other snacks, mainly gift packs, frozen food, mathri range, and cookies.
- They **sold more than 300 products** under bikaji brand.
- Amongst competitors, company is the **market leader in the family pack segment** with 60.57% share of business coming from SKUs.
- The company has over the years **established market leadership** in the core **states of Rajasthan, Assam and Bihar** with an extensive reach.

- Company has **6 depots, 38 super stockists, 416 direct and 1,956 indirect distributors** that work with super stockists, **located across 23 states and four union territories in India.**
- Company has **7 operational manufacturing facilities**, with 4 located in Bikaner, 1 in Guwahati, 1 facility in Tumakuru (Karnataka).
- **Amitabh Bachchan**, a well-known celebrity in India, is the **brand ambassador of company.**
- Company has **recently launched Bikaji Café and Bikaji Funkeen** brands to promote their western snack segment.

What is working for company

- Company **sell all of their products under well-established Bikaji brand.** concentrating on a wide choice of high-quality items, ethnic Indian cuisine that is truly authentic, creative packaging, and **efficient pricing tactics** that address all major price points.
- **Diversified product portfolio focused on various consumer segments and markets** diversified product portfolio included more than 300 products across all product segments. company has launched packages of various sizes for their products.

Product Type	Number of Products ⁽¹⁾
Bhujia	14
Namkeen	66
Packaged sweets	43
Papad	8
Western snacks ⁽²⁾	32
Other snacks ⁽³⁾	144
Total	307

(1) SKUs may vary for different product flavours / variants.

(2) Western snacks include extruded products, pellets and chips.

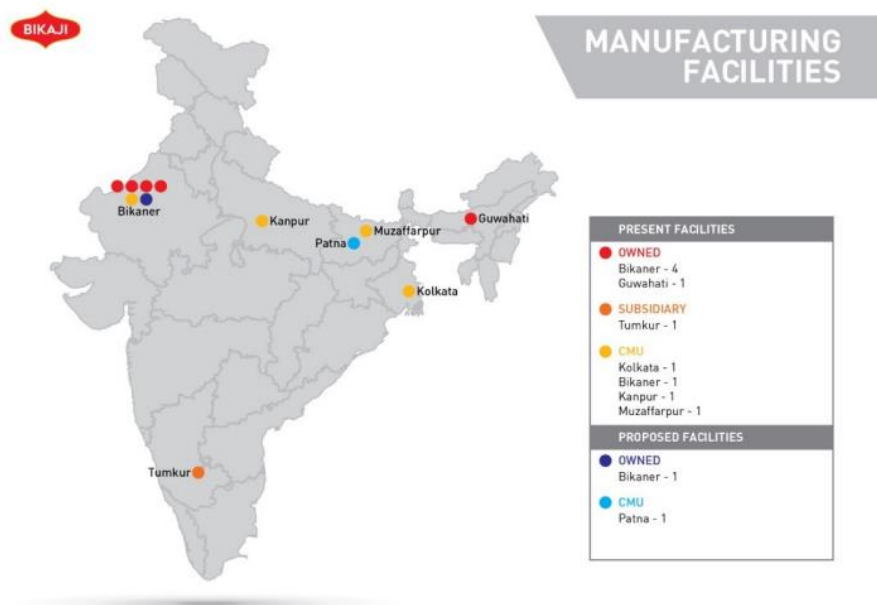
(3) Other snacks include gift packs (assortment), frozen food, mathri range and cookies.

The following are product categories with respective sales contribution as at June 30, 2022:





- Strategically located manufacturing facilities with stringent quality standards** stringent quality control across the entire production chain, including sourcing, processing, manufacturing, packaging and distribution. The raw ingredients used in products are of premium quality also locations of existing and proposed manufacturing facilities across India, including the proposed contract manufacturing facilities are:



Source: RHP Bikaji Foods International Ltd.

- Company has **large Pan-India distribution network**. As of June 30, 2022, company had six depots, 38 super stockists, 416 direct and 1,956 indirect distributors that work with super stockists, located across 23 states and four union territories in India.
- Company is also focused on developing **strategic distribution channels**, such as sale of products at railway stations across India. Further, they also started supplying products for sale in Indian army canteens from August 2022.
- **Experienced promoter and management Team** Promoter, Shiv Ratan Agarwal has more than three decades of experience in this industry. Company is supported by 2,664 committed staff base on payroll out of which 474 are employees and 2,190 are skilled and unskilled labours. Also **attrition rate of company decreases compares to previous years**.

What is not working for company?

- Company is **significantly dependent on the sale of bhujia products and sale of family pack stock keeping units** for their revenue change in consumer taste and preferences may affect the revenue of company.
- **Company currently operate under a single brand** wherein they sell a variety of products. Their competitiveness is dependent on their ability to develop new products and more efficient manufacturing capabilities and **Company is not giving assurance for achieving commercial success of new products in future.**
- **Termination of agreements in relation to the contract manufacturing facilities** may adversely affect the business.
- **Company derive a significant portion of revenues from core markets of Rajasthan, Assam and Bihar.** Any adverse developments in these regions could have an adverse impact on business.
- **Portion of company revenue is dependent on export** any decline in export may adversely affect the company.
- Company, Subsidiaries, Promoters, Directors and Group Companies are **involved in certain legal and regulatory proceedings.** Any adverse decision in such proceedings may have a material adverse effect on business financial conditions.

Financial Statements

Profit & Loss Statement

(Fig. in cr.)

Profit & Loss

Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2020	Mar 2021	Mar 2022
Sales +	1,075	1,311	1,611
Expenses +	979	1,166	1,471
Operating Profit	96	145	140
OPM %	9%	11%	9%
Other Income +	8	11	10
Interest	6	3	7
Depreciation	34	33	38
Profit before tax	64	120	105
Tax %	11%	25%	28%
Net Profit	56	90	76
EPS in Rs	23.18	37.10	3.12
Dividend Payout %	9%	5%	0%

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Source: Screener.in

Balance sheet

(Fig. in cr.)

Balance Sheet

CORPORATE ACTIONS

Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2020	Mar 2021	Mar 2022	Jun 2022
Share Capital +	24	24		25
Reserves	505	581		811
Borrowings +	54	87		178
Other Liabilities +	94	124		132
Total Liabilities	677	817		1,146
Fixed Assets +	407	423		533
CWIP	3	36		48
Investments	36	69		129
Other Assets +	230	290		436
Total Assets	677	817		1,146

Source: Screener.in

Cash Flow Statement

(Fig. in cr.)

Cash Flows

Consolidated Figures in Rs. Crores / [View Standalone](#)

	Mar 2020	Mar 2021	Mar 2022
Cash from Operating Activity +	55	122	
Cash from Investing Activity +	-58	-119	
Cash from Financing Activity +	-26	-27	
Net Cash Flow	-29	-24	

Source: Screener.in

Our Recommendation

We recommend you to **SUBSCRIBE** to this IPO on the following parameters:

- Company sell all of their products under well-established Bikaji brand.
- Diversified product portfolio focused on various consumer segments and markets.
- Strategically located manufacturing facilities with stringent quality standards.
- Extensive distribution network in India.
- large Pan-Indian and international distribution networks, agreements with reputable retail chains, and expanding e-Commerce and exports channels.
- Experienced promoter and management Team.

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