

# ALL ABOUT



*Aslee Bikaneri*

**SECTOR - FMCG**



**Issue Opens - NOVEMBER 3 - NOVEMBER 7**

**Price Band**

**₹285 to ₹300**

**Face Value**

₹1

**Lot Size**

50 SHARES

**Issue Size**

₹873.70 CR

**Issue Type**

BOOK BUILT

**RESEARCH@GANESHSTOCK.COM**



# Important Events

**Issue Size**

**₹873.70 Cr**

**Fresh Issue**

**N/A**

**Offer for Sale**

**29,373,984 shares**

**Basis of Allotment**

**Nov 11, 2022**

**Initiation of Refunds**

**Nov 14, 2022**

**Credit of Shares to Demat**

**Nov 15, 2022**

**Bikaji IPO Listing Date**

**Nov 16, 2022**

## Promoters

- **SHIV RATAN AGARWAL (CHAIRMEN & WHOLE-TIME DIRECTOR)**
- **DEEPAK AGARWAL (MANAGING DIRECTOR)**
- **SHWETA AGARWAL (WHOLE-TIME DIRECTOR)**
- **SIRAJ AZMAT CHAUDHR (INDEPENDENT DIRECTOR)**

**Promoters collectively hold 77.97% of the Equity Share .**



# ABOUT COMPANY

- **Bikaji Foods International Limited is the second fastest growing company in the regulated fast food market in India. The company is the largest producer of Bikaneri bhujia with an annual output of 29,380 tons and we are the second largest manufacturer of handmade papads with an annual production capacity of 9,000 tons in fiscal year 2022. does business in 23 states and four union territories. as of June 30, 2022. In the three months ending June 30, 2022, we exported our products to 21 international countries, including countries in North America, Europe, The Middle East, Africa and Asia-Pacific, account for 3.20% of our food. product sales during such a period.**
- **The company has 6 main product line categories: bhujia, namkeen, wrapped candy, papad cake, western-style snacks as well as other snacks, mainly including gift boxes (assorted), frozen cold, mathri dishes and cookies. Its manufacturing units are located in Bikaner (Rajasthan), Guwahati (Assam), a factory in Tumakuru (Tumkur) (Karnataka) organized through one of its subsidiaries, Petunt Food Processors Private Limited. to serve the markets in south India and a factory in Muzaffarpur (Bihar) organized through another subsidiary, Vindhya wasini Sales Private Limited to cater to the main Bihar market. It has a contract manufacturing unit in Kolkata (West Bengal) to cater to the business needs of East India.**
- **Bikaji has a small facility in Mumbai to manage the revenue of Mumbai restaurants. The company has marketing initiatives across India, including television, radio, print, social media advertising, digital and outdoor promotional campaigns, and sponsorship of sporting and cultural events in India. In 2008, he also established restaurant-retail store Bikaji Food Junxon in Mumbai.**



# PRODUCT PORTFOLIO

A diversified portfolio of products split largely into six categories: Bhujia, Namkeen, Packaged Sweets, Papad, Western Snacks and other snacks.

Product Type	Num. of Products
Bhujia	13
Namkeen	61
Packaged sweets	34
Papad	8
Western snacks	21
Other snacks	119

## OBJECTS OF THE OFFER

THE NET PROCEEDS FROM THE ISSUE ARE PROPOSED TO BE UTILIZED BY THE COMPANY FOR THE FOLLOWING OBJECTS:

- 1) THE LISTING WILL ENHANCE ITS VISIBILITY AND BRAND IMAGE
- 2) TO PROVIDE A PUBLIC MARKET FOR THE EQUITY SHARES IN INDIA.

# TRACK RECORD OF FINANCIAL PERFORMANCE

- REVENUE FROM OPERATIONS FOR FISCAL 2020, 2021 & 2022 WAS ₹ 1074CR, ₹1310CR AND ₹1611CR, RESPECTIVELY. THE GROWTH IN THE REVENUE FROM OPERATIONS INCREASED WITH CAGR OF 14.47%.
- EBITDA WAS ₹94.6CR, ₹144.8CR AND ₹ 139.5CR FOR THE FINANCIAL YEARS ENDED, 2020, 2021 & 2022 RESPECTIVELY
- EBITDA MARGINS 10.35% IN FY19 , 8.80% IN FY20 & 11.04% IN FY21. AND IN Q2FY22 9.29%
- PAT WAS ₹56.4CR, ₹90.3CR AND ₹76CR FOR THE FINANCIAL YEARS ENDED 2020, 2021 & 2022 RESPECTIVELY.
- BIKAJI LTD HAS POSTED TOTAL ASSETS OF RS.629CR, RS.742 AND RS890 FY19 FY20 & 21. FOR FOR THE FINANCIAL YEARS ENDED, 2020 , 2021 & 2022 RESPECTIVELY.
- Total Borrowings 39.72 in FY 19 , 16.9 in FY20 and 11.84 for FY21
- BIKAJI LTD HAS REPORTED AN EPS OF RS. 0.21 , RS. 0.23 & RS,0.37 FOR THE FY19, 20 & 21 AND AN AVERAGE RONW OF 14.93 %.
- NET CASH REPORTED FOR THE YEARS 54.85 IN FY19 -28.64 IN FY20 & -24.69 IN FY 21
- ROE 10.84% , 10.65% & 14.89% IN FY19,20&21. ROCE 16.55% FY19 , 12.79% IN FY20 AND 20.88% IN FY21.



# STRENGTHS

- The brand is well known with all-India recognition.
- Diversified product portfolio focusing on different consumer segments and markets.
- Sophisticated, large-scale manufacturing facility strategically located with strict quality standards.
- Wide distribution network across India and globally, agreements with reputable retail chains, e-commerce and growing export channels.
- Strategic arrangements with retail chains in India and international markets.
- The growth of the e-commerce channel and the export sales of many large products.

# RISKS

- The reputation and consumer goodwill associated with the brand are critical for the success of the business
- Any contamination or deterioration of products could result in legal liability, damage reputation and adversely affect business prospects and financial performance
- Inability to expand or effectively manage the growing superstockist and distributor network, or any disruptions in the distribution chain
- Inadequate or interrupted supply and price fluctuation of our raw materials and packaging materials

# Valuation and Outlook

THE PRICE RANGE OF THE ISSUE, IN TERMS OF VALUATION, IS INR 285-300 PER SHARE. THE P/E RATIO IS AROUND 119.05X BASED ON A PRICE RANGE ABOVE INR 330 AND OVER THE PAST THREE YEARS, ON A CONSOLIDATED BASIS, BFIL HAS REPORTED AN AVERAGE EPS OF INR 3.20. THE INDUSTRY AVERAGE IS 204.42 TIMES THAT OF LISTED PEERS, BUT THAT'S NOT A BOLD COMPARISON.

THE BIKAJI FOODS INTERNATIONAL LTD, ACCORDING TO DRHP OF SOME COMPANY IS LISTED WHOSE PE MULTIPLE IS SHOWN IN THIS TABLE.

S.NO.	COMPANY	PE RATIO
1.	PRATAAP SNACKS,	305
2.	DFM FOODS LTD	00
3.	NESTLE INDIA LTD	83.5
4.	BRITANNIA INDUSTRIES LTD	61.4

BIKAJI FOODS COMPETES WITH HALDIRAM'S, THE MARKET LEADER IN NAMKEEN AND SNACKS TRADITION IN INDIA. AND ETHNIC SNACKS MARKET IS VALUED AT RS 11,400 CRORE AND IS EXPECTED TO GROW 16% OVER THE NEXT FOUR TO FIVE YEARS, DRHP SAID. FINANCIALLY, MARGINS FELL AND SALES INCREASED. BASED ON ANNUAL EARNINGS FOR FISCAL YEAR 23, THE ISSUE IS STRONGLY VALUED. INVESTORS CAN ONLY CLAIM THE LISTING GAIN AND FOR LONG-TERM.