



BIKAJI FOODS INTERNATIONAL LIMITED

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CIN: L15499RJ1995PLC010856 | GST No.: 08AAICS1030P1Z5

Ref: BFIL/SEC/2024-25/109

Date: February 13, 2025

To,
Dept of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001 (Maharashtra)
Scrip Code: 543653

The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai 400 051 (Maharashtra)
Trading Symbol: BIKAJI

Subject: Transcript of Earnings Conference Call for the quarter and nine months ended on December 31, 2024

Dear Sir/ Madam,

We hereby inform you that in continuation to our letter bearing Ref. **BFIL/SEC/2024-25/97** dated **January 31, 2025** and pursuant to the requirements of the Regulation 30, read with the Part A of the Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended, from time to time, an Earnings Conference Call with the Investors and Analysts to discuss the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended on December 31, 2024 was conducted on **Friday, February 07, 2025 at 02:00 P.M. IST**. Please find enclosed herewith the transcript of the Earnings Conference Call.

In compliance with the Regulation 46 of the Listing Regulations, the transcript of the Earnings Conference Call is also available on the website of the Company and the same can be accessed at www.bikaji.com.

You are kindly requested to take the same on record.

Thanking you

Yours faithfully,
For Bikaji Foods International Limited

Rahul Joshi
Head - Legal and Company Secretary
Membership No.: ACS 33135

Enclosure: As above



“Bikaji Foods International Limited
Q3 & 9M FY '25 Earnings Conference Call”

February 07, 2025



MANAGEMENT: **MR. RISHABH JAIN – CHIEF FINANCIAL OFFICER, BIKAJI
FOODS INTERNATIONAL LIMITED**

**MR. MANOJ VERMA – CHIEF OPERATING OFFICER, BIKAJI
FOODS INTERNATIONAL LIMITED**

MODERATOR: **MS. HAZEL RATHOD – S-ANCIAL TECHNOLOGIES PRIVATE
LIMITED**



Moderator: Ladies and gentlemen, good day and welcome to the Bikaji Foods International Limited Q3 FY '25 Earnings Conference Call.

As a reminder, all participant lines will remain in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing “*”, then “0” on your touch tone telephone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Hazel Rathod. Thank you and over to you, ma'am.

Hazel Rathod: Thank you. Good afternoon, everyone. Thank you for joining us for Bikaji Foods International Quarter 3- and nine-months FY '25 earnings conference call.

From the Management we have with us Mr. Rishabh Jain, CFO; and Mr. Manoj Verma, COO.

I now request Mr. Rishabh Jain to take us through the key opening remarks, after which we can open the floor for the question-and-answer session. Thank you and over to you, sir.

Rishabh Jain: Hello to all investors. Thank you for joining the investor call.

So, overall, it's a very challenging quarter for all FMCG. However, we are seeing consumption trends are going up in the 4th Quarter January. Also, we have seen some positive signs in the Budget for middle-class in reducing income tax and other factors, which would also have some positive signs for the economy for next years.

So, this quarter, we have grown close to 12% and sales and overall revenue from operation growth is 14.5% compared to last year. From EBITDA lens, of course the operating margin was at pressure in 3rd Quarter. And from September onwards, we have seen oil price has started moving up, and sudden increase in palm oil taxes from the government has impacted the overall pricing of palm oil, which has impacted the overall gross margin in the quarter. Gross margin pressure, we have passed on the prices to consumers, and we have taken some price hikes in 3rd Quarter, as well as, we are also evaluating price hike in 4th Quarter.

Also, there was a key pressure of potato, like you will see that our western snacks sales have grown at a subdued percent of 0.8% largely. This was a conscious call, which we as an management had taken largely, because potato prices increased substantially and in western snacks and chips, like there is potato and oil, that's a two key commodity and both the prices have increased substantially. So, we have subdued the production in 3rd Quarter, which has also impacted the revenue to the extent of 1.5-2%.

It's good to see YTD numbers because in sweets segment, this year Diwali was in end of October versus last year Diwali was in 10th of November, so there were some pre-sweet sales in 2nd Quarter this year as well. So, overall, our revenue growth in YTD numbers has grown to 17%, and overall, when we remove PLI it is close to 15% versus 11% in volume growth.



Our EBITDA margins stand close to 11.1%, gross margins close to 32%. From manufacturing lens, it's the same way, not to increase any major capacity, and trying to utilize the capacity, as soon as possible to have close to 65%-70%, so that operational efficiency comes in an overall level.

From pan-Indian distribution level, so, largely that's the core of distribution we have always started to increase the direct reach and we have further gained distribution and have reached close to 7.5 million outlets in total. And as a direct reach perspective, we are close to 3 Lakh outlets, and close to 2.8 Lakh outlets this year, which is a fundamental for any industry, and that's what we are targeting.

From marketing lens, Manoj ji, you can proceed.

Manoj Verma:

Yes. So, the marketing campaign what we did, and which was a big one, Bikaji Khao London Jao, which ended on 31st of December, did pretty well for us, and that was a savior. Because if you look at, when you go through the presentation, you would see that volume growth is just 3%. But actually speaking, if we look at revenue volume growth is 8%, that's the right number. It is because on the back of last year Quarter 3 within 10% extra was going, so 10% was non-revenue volume. But when that sits in the base, so, therefore, it looks a sweep. Otherwise, revenue volume growth is 8% for us. So, this promo now indeed helped us to do better and we got very good penetration, and we were able to increase our weighted distribution with this kind of campaign, what we did.

We used all communication vehicles, we used few celebrities, like Diljit Dosanjh and all and expanded across countries, all the states and about 3,600 cities. The winners, who benefited of this promo is to the tune of 6,34,000 winners, who got something or the other out of this promotion.

Festive campaigns we did, saw our gift packs did very well. However, this I am talking overall, so the right way to look at gifting and sweets is a sum total of Quarter 3 and Quarter 2, because of Diwali being, you know, a little here and there kind of stuff. But overall, it was good business on gifting for Bikaji, firstly.

Talking about volume growth around, we look at Quarter 3, so the reported growth is 3%. But, if we look at revenue volume growth, it is 8% for this quarter. Ethnic snacks grown at 10.5%, packaged sweets at 11.2% revenue growth. Western packs, where the growth is flat, it is just 0.8%, but that was the conscious call, which we took. And as Rishabh just spoke about, because there it was bottom line erosion, as we sell more. Both potato and oil, which are the key ingredients for this product were on the peak of it, and it was not practically possible to pass as much prices. And this is one reason that if you see the results of any of the listed companies in this category would have certainly bled for that stuff.

Papad, again, more than 9.6% growth in this quarter. It's more relevant to see, look at the continuity that YTD, so last nine months volume growth is 11%. But, here again, you know, if I just look at revenue volume, so its 13.3% which is in line with what we have been talking.



Our overall revenue from operations is 17.1%, ethnic snacks sitting at 12.2% growth. Packaged sweet, as I said that it's the right way to look at Quarter 3 and Quarter 2 together, so at a YTD basis packaged sweet is 17.5% growth, western snacks, if you look at just Quarter 3, inflation is at zero growth, however, at a YTD number it is a 16.5% growth. So, it speaks about, you know, the kind of demand, which exists across the call and we took and we did not do that. In fact, in H1, if I look at, it's a 28% plus growth kind of a thing, which is what now with the softening of prices in potato and also, the oil. You will also see that in the coming quarter, this will all be made-up. Papad at a 15.3% growth on a YTD basis, so as a strong momentum going forward.

In terms of, if we look at our product mix, it is broadly in line with what it was last year. So, 62.9% it was last year Quarter 4 for namkeens and Bhujia put together, which is now at 62.1%. So, the only thing if you refer to this sheet of ours, is the western snacks contribution. So, last year, if we look at Quarter 3, it was at 7.5%, which has come down to 6.8%. And this is what I spoke about when I said that was a conscious call, rest all categories are in line.

In terms of, as we talked about that our core focus and others as a market, plus exports, if we look at, in this quarter post-tax revenue growth is 10.8%, focus states growing at 14.7%, other states at 8.7%, and exports had done good, is at 32.6% growth.

At a YTD basis, core states have grown at 11.9%, focus states is 17.1%, and others is 23.7%, exports sitting at close to 21% growth. Our flagship of the continuity on the large pack continues, so, the mix of products between impulse and the large pack is 61% from large pack, and 35% coming from impulse pack. Both the family pack and impulse pack has done well in the quarter, so, family pack growing at 11.6%, impulse slightly higher at 12.9% growth.

Rishabh, over to you.

Rishabh Jain:

So, overall, from revenue lens, we were close to 14.5%, but quarter-on-quarter is largely flat, if you see last quarter. From EBITDA lens, our EBITDA is close to 8%. So, from raw material lens, of course, edible oil has substantially hit us and all the FMCG brands and the price has been increased from 100 to 140 per barrel. Currently it's close to 130, but, yes, overall, it's at the peak currently. But, yes, from this quarter, what we see, it's a good crop this year, we are seeing good crop in all the commodity and we are seeing that, that would support overall, in 4th Quarter and we have done good pricing support, taken good long-term PO for all the key commodities, what we already started doing, that will support the margins in the coming quarters, be it vegetables or potato, anything and everything. So, we are seeing a good commodity crop this year in each and every commodity.

So, that's all from the presentation, we are happy to answer all the questions and take all the questions you have. Thank you.

Moderator:

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question comes from the line of Abneesh Roy from Nuvama Wealth Management Limited. Please go ahead.

Abneesh Roy:

Yes. Thanks. My first question is on the segment-wise growth numbers. So, I see big divergence between, say Q3 and nine months. The bigger divergence is between sweets, where there is a 17% growth in nine months, which drops to 11% in Q3, which means first half obviously you have given the number, it's almost 20%. So, 20% drops to 11%, and similarly, Western snacks from 16% become zero.

So, here the specific question is, I understand western snacks you did call out that conscious call was there because of very low margin, but what happened in Sweets? So, sweets, essentially due to marriage season, there is a big benefit because of the gifting, and Q3, we have seen, whichever category has a high marriage demand, those have done really well. So, in your case, if you could discuss in sweets, what is the issue here? And would you expect sweets and western snacks, even in Q4 to underperform and what about the other two categories for you?

Manoj Verma:

Yes. Hi, Abneesh. See, in packaged sweets, you know, the role of wedding season, of course, is there, but the quantum of gifting in Diwali is by far high. So, it's a very small percentage vis-à-vis the Diwali gifting kind of a numbers what we do. Now, what happened is that last year Diwali was on around 23rd of November so, the later part, wherein, this year, it was on 1st of November itself. So, this got preponed in Quarter 2 itself, because modern trade, which is a very big account for us, our other states and all, where sweets is very big, so, all these stuff preloading starts happening. So, this is what is always the case that you know, Quarter 2 and Quarter 3 put together is the right number. During wedding season, also, if you look at the number of wedding dates are more in Quarter 4 vis-à-vis Quarter 3, if we compare over last year. But again, I am reiterating on the fact that, yes, wedding season plays a role, but it is nowhere close to what a gifting and Diwali means for this category for us.

Rishabh Jain:

Also, Abneesh, your last question was, so, for both quarters, is that western snacks is again on track, and fresh crop is coming in low, so it's on track and we have again started full peak production in western snacks. And sweets will be also in the same range in 4th Quarter. But, yes, 4th Quarter, sweet will be in very low, because major sweets production is happening in 2nd or 3rd Quarter.

Abneesh Roy:

Understood. My second question is on the demand side. So, again, here 3% volume growth versus the first half early teens growth, it's a dramatic slowdown. So, when I see, even in Q3, India's largest biscuit company is seeing 6%-6.5% volume growth, and you are seeing 3% volume growth. So, could you tell us, is there some market share loss? And here I am not referring to the official market share data, it may or may not be relevant. My question here is what really happened, how much is the impact of the grammage cut, for example, at Rs. 5, Rs. 10 price point, if you could take us through that, because there you cannot take a pricing growth. And when you compare your 3% growth to India's largest biscuit company at 6%-6.5% in the same quarter, we're living in the same quarter, same India, why there is so much of a divergence here, both are in the snacks category? So, if you could tell us how you see near term volume growth coming back?

Manoj Verma:

Sure, Abneesh. So, one is that 3% is not the right number to look at. If we speak about our revenue volume growth, so, it's 8% and this somehow connects with your grammage cut. So,



last year, in this quarter, all our large packs had 10% extra, which was not the case this year, because of the prices, and any which ways that was not a time-bound promo, what we had done. So, if I look at revenue volume growth, it is 8%, that is one. Second is that in western snacks, the category which contributes about 8% to our business and is at zero growth, right, that's the second reason. So, therefore, you know, other than this, if you look at the ethnic snacks, the other categories are well on track, so there's nothing, which really is concerning or worrying for that stuff. So, this is where we are. This number looks low because last year it was 10% extra, which was going, which has not this year.

Abneesh Roy: And 10% extra is there in Q4 also, in terms of base?

Rishabh Jain: Last year, yes, it was. So, this was there till Q4, so that's when we ran this promo last year, for six months.

Abneesh Roy: Okay, understood. So, last follow-up here. So, essentially at Rs. 5, Rs. 10, what has happened in terms of grammage cut there? And in Q4, do you expect some recovery, because you have said that in western snacks there is a recovery, so in terms of volume growth?

Rishabh Jain: So, Abneesh, largely, we had taken some grammage cut in Rs. 5, Rs. 10 in last week of December, that's what we had done. And the Q4 also, we have seen good growth coming in, good pricing support from raw material side and so, we see, again good recovery in margin from that front.

Abneesh Roy: One follow-up, where have you seen softness, because, other companies are not highlighting any big softness in palm oil till now, it may have corrected.

Rishabh Jain: So, you see, we have not seen softness in palm oil, but, we are seeing softness in key commodity, all key commodities.

Abneesh Roy: Okay. Thanks. That's all for me. Thank you.

Rishabh Jain: Thank you.

Moderator: Thank you. The next question comes from the line of Percy from IIFL Securities. Please go ahead.

Percy Panthaki: Hi, sir. So, this quarter, if I look at your ASP, it is around 9% Y-o-Y. If the volume is 3% and the sales is 12%, it means that the average selling price, either because of reduction of promotion or the price increase itself, whatever be the route or path, but, effectively the average selling price has increased by 9%. So, given the actions that you have already put in the market, including some changes in December, etc., how much Y-o-Y growth in the ASP you expect in Q4?

Manoj Verma: So, Y-o-Y if we look at, it would be around say, 3% kind of stuff. So, 1.5% we have already done, and now 3%-3.5% kind of a growth you will see, that is ASP growth.

Percy Panthaki: No, no, sir, 9% is already there in 3rd Quarter, so, 4th Quarter has to be more than 9%, right?



- Manoj Verma:** No, no. So, again, Percy, let me explain it to you. While, it looks you know 3%, actually it is 8% growth, revenue volume growth.
- Percy Panthaki:** Sir, I understand that. I am saying reduction of promotion is also a pricing in a way, right? So, the average selling price per kilo has gone up by 9% Y-o-Y this quarter. I am saying that some initiatives have happened probably in December and January, which has not fully affected the 3Q. So, what would be the ASP growth for Q4, given whatever actions has already been taken? That is my question.
- Rishabh Jain:** So, more 1%-1.5% in Q4 is what we will do.
- Percy Panthaki:** Okay. So, around 10% to 11%. And given the inflation that you are seeing, would that be enough for you to recover the hit on the margins that have happened this quarter or there would still be some sort of partial hit, which would still come in Q4 and maybe can be recovered only in Q1 or Q2?
- Rishabh Jain:** So, largely, that's what we will do, we will do 1%-1.5% price increase in Feb and March first week, that's what, we will do, number one. Number two, we are hopeful that we will again come in gross margin of close to 30%- 31%. In the next three to four months, we will be working to reach at a gross margin of 30%-31%, that's what we plan. But yes, in this quarter, 4th Quarter, gross margin will be at 29-30%.
- Percy Panthaki:** Got it. My second question is on the cost under the gross margin, which is the employee cost and the other expenses. So, the employee cost is up around 30% and other expenses is also up like 21% or so on, on a sales of 12% growth. So, what are the reasons that the growth here is higher than the sales growth in both these line items? And when do we see this normalizing and coming in line with the sales growth, by which quarter that will happen?
- Rishabh Jain:** So, two things, basically, in this quarter, the 3rd Quarter, the ad cost and other expenses, which is largely high, compared to 2nd Quarter, and that's was the major spend was in ad, because it's already booked. There were big sweet and festivities, so we need to do the ad for our business. So, that's one cost which has increased in this quarter, number one. Number two, from employee lens, there is ESOP cost and there are other factories, which are getting a bit realized, and people cost has peaked. Any factory which started in the last 12 months, the people cost is high in this. But yes, once, we get the utilization up, this will again come at normal level. But, to the point, from next year first quarter, we will see again normalized growth in employee cost.
- Percy Panthaki:** Okay. So, by Q1 next year, both other expenses, as well as employee cost should grow more or less in line with sales, right?
- Rishabh Jain:** Yes, right.
- Percy Panthaki:** Okay. Okay, sir. Thank you so much. That's all from me. All the best.
- Rishabh Jain:** Thank you.



- Moderator:** Thank you. The next question comes from the line of Darshit Vora from Asit C. Mehta and Investments. Please go ahead.
- Darshit Vora:** Yes. Thank you for the opportunity. So, my first question was that we are having this road map of ramping up our capacity to 70% utilization, right? So, could you give me some kind of a road map or some internal target, wherein how and by what timeline would you be able to achieve this kind of utilization figure?
- Rishabh Jain:** See, so largely, our target is to grow volume-wise by 13%-14%, that's what our target is. This quarter was an exception, but, yes, the overall target is to grow volume at 13% at least. And that's what we have built the capacity in last three, four years, and that's what our target is for next three, four years.
- Darshit Vora:** Okay. Next, how much time did you say?
- Rishabh Jain:** So, next three, four years is the target, at least we want to grow capacity of 13%-14%.
- Darshit Vora:** Alright, okay. And with respect to margins, so this time, we have seen quite a fall, how do you see the raw material prices move from here? And, also, you know, by when do you think the margins will be back to our usual numbers?
- Rishabh Jain:** So, in 4th Quarter, we will improve from here because was an exception, oil prices increase suddenly, rarely in a month's time. So, that's how we are passing the prices substantially in the coming time. But, yes, overall, we see in the next two quarters, we will be again at our original level, that's our target.
- Darshit Vora:** Alright, okay. And finally, just would like to close, would it be possible to either give a range or relatively speak about gross margins across product categories?
- Rishabh Jain:** Yes, it's difficult. We can speak on one-on-one on this.
- Darshit Vora:** Alright. Yes. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Disha Giria from Ashika Institutional Equities. Please go ahead.
- Disha Giria:** Yes, hi. So, if I see your 3rd Quarter FY '25 presentation in terms of core and focus market mix, it clearly states that the focus market has gained year-on-year in terms of revenue contribution. So, can you specify any such particular market that you have gained market share?
- Manoj Verma:** So, we have gained market share across focus states, if you look at. Right now, be it the smaller ones like Chhattisgarh, Karnataka, or you look at, you know, the large states like UP also for that stuff, this is where it is. So, there is a positive movement across these focus states.
- Disha Giria:** So, can you specify any quantum of market share increase?



- Manoj Verma:** So, quantum, see, is for a large state like, say, UP it's a 30-basis, 60-basis point increase over last year. Whereas, if I speak about smaller states like Chhattisgarh, there is a 300-basis points movement, which has happened, but it's a small size of price is not as big kind of a stuff. So, it's a varied stuff.
- Disha Giria:** Okay. And then, other states contribution has slightly declined, so, what is the reason behind that?
- Manoj Verma:** So, two things. One is that other states if you look at, you know, in terms of nine months, you will not see this. This question would not come up, or rather the reverse question would come. But, let me tell you, see, other states, the contribution of sweet and gifting is very high, because there we play on the back of modern trade, that's our largest business there, right. And Quarter 3 and Quarter 2, as I was talking about that there is a shift from Quarter 3 to Quarter 2, which has happened on this stuff. So, other states, if we look at on a nine months YTD basis, stuff we have grown at 23.7%.
- Disha Giria:** Okay. My next question is, I just wanted the clarification, in your presentation, the volume growth is around 3% and you have mentioned it over the call that the revenue volume growth grew by 8%. So, I am assuming the difference is only, I mean, in terms of the grammage changes in all your packaged sales, is my understanding, correct?
- Manoj Verma:** Yes, that's correct, yes.
- Disha Giria:** Yes, alright. Okay, that is it from my end.
- Moderator:** Thank you. The next question comes from the line of Mehul Desai from JM Financial. Please go ahead.
- Mehul Desai:** Hi, sir. My first question is on the recently acquired Hazelnut Company. How do you see sales growth panning out for this entity in FY '26-'27? And, what is the kind of CAPEX that you would look at in FY '26-'27?
- Rishabh Jain:** Yes. So, the Hazelnut currently is very small, and it's just added end of last quarter. So, largely, we see that in next year, it will be close to between Rs. 90-100 Crores top line that can that brand can give, its growing very good. And number two, from CAPEX lens, from overall Bikaji lens, we see close to Rs. 40-50 Crores of CAPEX largely to build efficiency in the system, that's what we will do next year.
- Mehul Desai:** Rs. 45 Crores to Rs. 50 Crores?
- Rishabh Jain:** Yes.
- Mehul Desai:** And will Hazelnut require CAPEX?



- Rishabh Jain:** No. So, that will not fund from Bikaji, because we have already funded largely. So, that will be very minimal CAPEX, because they already have good packing facility there, they have open outlets, that's what they need to do and not major CAPEX in that brand.
- Mehul Desai:** Understood. And broadly, this activation, I mean, the margins are better than our current company level margins?
- Rishabh Jain:** Margins are better than current company, yes.
- Mehul Desai:** Understood. And lastly, in your core markets, the growth are also, I mean, the ethnic snacks growth would have been in double digits or is the trend different in terms of segmental growth within core and focus?
- Manoj Verma:** No, no, so it's in line with this stuff. Core is relatively even better in this case, so ethnic packs has done even better there.
- Mehul Desai:** All right. Got it. Thank you so much. That's all from my side.
- Moderator:** Thank you. The next question comes from the line of Harsh Jain, an individual investor. Please go ahead.
- Harsh Jain:** Yes. Hello and thanks for the opportunity today. So, my question was regarding Delhi, being a Delhi resident, I can say you were quite there in Diwali season, you know, but I think you kind of trailed off after that. So, I want to hear your story, Manoj sir. And, also, I believe Bikaji's quick commerce and departmental store presence have been quite low, so, I want to hear your commentary. Thank you.
- Manoj Verma:** No, no. Certainly I think your observation and what you are talking is in line exactly where we stand. So, Delhi, if you look at all of modern trade stores, which is be it any, Reliance, be it D-Mart, or large this thing stuff, you will see our good presence during Diwali, gifting and all. But yes, in terms of traditional trade coverage, it is by far low, and that's where we are working on. So, very soon, you know, when I say very soon, say in a couple of quarters, from now you will see a change in trend in Delhi as well.
- Harsh Jain:** Yes. Sir, one more question, if I please, may ask.
- Rishabh Jain:** Yes, please.
- Harsh Jain:** So, can we see further acquisitions in the Delhi area?
- Rishabh Jain:** So, we do not see any major acquisitions in coming years, that's what our plan is, to grow organically and to utilize the capacity what we have already built. And Delhi is very near to Bikaner, logistics cost is not so big in Delhi. So, we majorly focus in next year in doing organically, that's what we will do.



- Harsh Jain:** One more question, please. Would it be better to open QSRs in Delhi for more customer engagement and all?
- Rishabh Jain:** Yes, you are right. But our major focus is currently in Rajasthan, we will be opening in Rajasthan few QSR outlets, that's what we'll do. Delhi is maybe next one and three years, post that, not immediately.
- Harsh Jain:** Yes, sure. Thank you.
- Rishabh Jain:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Naitik from NV Alpha Fund. Please go ahead.
- Naitik Mutha:** Hi, sir. Thanks for taking my question. Sir my question is, can you call out any PLI incentive that we have received in this quarter and what was it in the last quarter?
- Rishabh Jain:** So, basically, currently we are booking PLI income, this year we booked PLI close to Rs. 14 Cores per quarter, and we will receive PLI from government maybe in this quarter, 3rd Quarter by March, when government is very proactive to do all the audits and to release the funds. So, by March, we will receive PLI of last year, FY '24. That's normally a one-year lag, filing of claims, audits and other things. So, normally there's a one-year lag, so we will receive PLI for last year. And for this year, we will receive next year, that's what is the process.
- Naitik Mutha:** So, sir, during this quarter, we have not booked any PLI income?
- Rishabh Jain:** We have booked PLI income.
- Naitik Mutha:** We have booked Rs. 14 crores, right?
- Rishabh Jain:** Yes.
- Naitik Mutha:** And what was this last year same quarter?
- Rishabh Jain:** Same.
- Naitik Mutha:** Same, Rs. 14 crores?
- Rishabh Jain:** Yes.
- Naitik Mutha:** Okay, got it. Also, if you could talk about, you mentioned that you have seen some softness in the raw material. So, if you could give a little more color on the same, which raw material is actually seeing softness, that would be helpful.
- Rishabh Jain:** So, all key commodities, be it our key commodities like moth dal or potato or peanut, moong dal, and all key commodities we are seeing softening of prices, because it is the fresh crop time,



normally December is a time when fresh crop comes in and we see a good softening of prices in this.

Naitik Mutha: Got it. That's it from my side. Thank you.

Rishabh Jain: Thank you.

Moderator: Thank you. The next question comes from the line of Nitin from Emkay Global. Please go ahead.

Nitin Gupta: Yes. Thanks for the opportunity. Just wanted to check on the QSR initiative, have you rolled out any stores for the pilot, which we were planning to do?

Rishabh Jain: Yes. So, the first QSR is coming in by next week mostly in Rajasthan.

Nitin Gupta: Can you help me to like where exactly this would be in Rajasthan?

Rishabh Jain: Sikar.

Nitin Gupta: Okay. And the second question is with respect to moth dal, we were hopeful of some benefit coming in here, so any sense can you provide what is the deflation we see with the new arrival of moth dal?

Rishabh Jain: So, normally we see close to 14%-15% reduction in prices of moth dal, compared to last year.

Nitin Gupta: And what is the contribution of moth dal?

Rishabh Jain: Moth dal contribution is close to 10%-11%, but, I will come back with the numbers.

Nitin Gupta: Sure, sir. Thank you. And lastly, are we looking for any commodity covers in terms of volatile raw material?

Rishabh Jain: Other than edible oil, we do cover most of the commodities, key commodities.

Nitin Gupta: Okay. Thank you. Thanks a lot.

Moderator: Thank you. The next question comes from the line of Abhishek Kumar from Sanctum Wealth. Please go ahead.

Abhishek Kumar: Hello, good afternoon. Sir, my question is partly in continuation with the previous participant's question. So, as a policy, do you guys have any mitigating policy with respect to such wild swings in the raw material prices, especially our key materials like palm oil, potatoes and dals? So, do we have a stated policy, wherein, if we do keep such raw material inventories for a few months or anything on those lines, it would be great if you could share.

Rishabh Jain: So, normally we do, like for key commodity, other than edible oil, we do long term contracts with the vendors to help the price, and that's what we started 1.5-2 years back. And this has



helped us in protecting the margin. But, yes, edible oil, we normally do for a very shorter time, and normally industry also do the same. So, other than edible oil, we normally protect the margin and hedge all the raw materials.

Abhishek Kumar: Okay. Thank you. And could you give a rough split of our raw material basket, as in how much oil or moth dal, potatoes that would constitute as a percentage, roughly, any rough number?

Rishabh Jain: I can come back with the numbers for each commodity.

Abhishek Kumar: Okay. Thank you.

Moderator: Thank you. The next question comes from the line of Varun Singh from Alf Accurate Advisors. Please go ahead.

Varun Singh: Yes. Thank you for the opportunity. Sorry, I missed your commentary on raw material cost, especially on the palm oil prices. So, what is the expectation and outlook over here? And palm oil is what percentage of our total raw material cost basket, if you can help us understand that?

Rishabh Jain: So, palm oil is also at peak, its peak was 140, currently it is one close to 130-132 which is at peak. We see some reduction in import taxes from the government, of course, in Budget, it did not come, but, yes, that's what we are hoping. But, yes, overall palm oil we see next two quarters is at the same level, 120-130 and overall, its contribution is big in our overall purchase.

Varun Singh: So, of our total raw material basket palm oil would be what, almost 50%-60% of the total cost?

Rishabh Jain: Not 50%-60%, but, yes, overall close to between 20%- 27%.

Varun Singh: Okay, understood. And what is the quantum of price hike that we need to maybe take from here onwards to offset the impact? And can we expect maybe by next quarter, you know, kind of, or when can we expect the margins to be reflecting our, I mean, given that we have the ability and power to take such kind of price hikes, so if you can give some understanding on that.

Rishabh Jain: So, largely, in next two quarters, that's what we are working on, that we come under on the margin, what we were doing in last two quarters.

Varun Singh: Okay. So, in October, you already took 2% to 2.5% price hike, and more price hikes expected? You want to call out anything on that part?

Rishabh Jain: Yes, largely even price hike is expected, and that's what we will do, look at all the business scenarios and sales scenario. But, yes, one price hike is expected in the quarter.

Varun Singh: Okay, sure. Understood. And the last question is, on volume growth overall recovery, you highlighted 13% to 15% is the aspiration. So, that number is very much on the track, I mean, looking at the January month how the business has gone for us?

Manoj Verma: Yes, that's right. So, this is well on track and, I mean, should be in line with what we have said.



- Varun Singh:** Okay, sir. Sure. Thank you very much.
- Manoj Verma:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Aditya Tambe from Harbrook Capital. Please go ahead.
- Aditya Tambe:** Hi, thank you for taking my question. Could you please provide me a split of how much of our sales are coming through general trade versus modern trade?
- Manoj Verma:** Sorry, say again?
- Aditya Tambe:** So, can you please provide us with how much of the sales is coming from general trade versus modern trade?
- Manoj Verma:** So, general trade is the largest contribution for us, which is about 84%-85% comes from the general trade, modern trade is about 8%.
- Aditya Tambe:** Got it. And can you also tell us how is the price hike being taken up by the customer? Like, are you seeing them going for a inferior product or a slightly cheaper product? Or are they embracing the price increase, or the gram is decreased that is being done?
- Manoj Verma:** See, I think this is what we spoke about that we have taken a price increase, and in this coming quarter, this running quarter, there is a likelihood or there's a plan to take one more price hike, which would offset the price increase what we have witnessed on the commodity stuff.
- Aditya Tambe:** Right. I meant to ask, how is the customer reacting to it? Do you see that maybe they are switching to a slightly inferior or slightly cheaper product that is available in the market?
- Manoj Verma:** No, see, inflation is I think very well spoken and you know, very well imbibed by all the quality consumers, right? And even, if you look at anyone using edible oils in their houses, they also know the kind of prices what they are doing. So, yes, quality customer does not look at it as much. But, yes, I think we do on the ATL and BTL, would help in building consumption at that standpoint would have definitely impacted. But, not as much, because, you know, when you sell a brand, the price and that couple of percentage price here and there does not matter, as much as long as it's competitive with the peer group.
- Aditya Tambe:** Right. Thank you. Could you also like to give us some flavor on are there any new products which are being planned on launching, like in sweets or in snacks, or maybe something in slightly healthier segment like many customers are talking about maybe going with the palm oil?
- Manoj Verma:** Yes. So, that's the game in this category, you know, you keep launching. And again, you know, market specific, so, for northeast, we launched a variant called Teekha Toofan, right, doing extremely well. But, I think till such time it had sustained, for say, 6-8 months, I mean, it does

not have as much merit to talk about. But yes, these kind of MPTs across the state keep doing and that's what energized the category and keeps the monotony out of it.

Aditya Tambe: Right. Okay. And sir, like just some picture, comment if you can give about how is the growth in quick commerce, because I think last quarter you mentioned it's around 160% growth, so how is it looking like this quarter?

Manoj Verma: So, yes, because of the small bases what we have, so yes, this quarter again it has grown about 86% growth.

Aditya Tambe: Right. Thank you. I think these are all the questions I have. Thank you.

Moderator: Thank you. The next question comes from the line of Dharmil Shah from Dalmus Capital Management. Please go ahead.

Dharmil Shah: Hi, thank you for taking my question. Just a follow-up on the previous participant's questions. Whenever, there is a sudden price hikes in raw materials, what is usually the policy that company follows, I mean, is it immediately increasing the prices for all the products for the family packs? Or is it like taking a short-term loss but maybe gain some market share? What is the broad policy that comes in for us?

Manoj Verma: See, the first and foremost, which is that one should not lose market share, right. So, to protect market share is the biggest one, because if you lose share, regaining share is even a more extensive proposition to do, that's one. But the approach what we follow is that, as we see commodity prices going up, so first is that if there are any kind of schemes running, you know, like trade schemes, incentives, all that stuff, we try and knock it off. That's the first one. Then, as we look at that how further we can improve our efficiency, so the consumer hit is the last one to take, but trying everything, when it comes and then the if you are not able to make up the threshold, we pass these prices to the consumer. This is how it happens. But this process takes about a month and a half. And also, as my colleague just spoke about, that we have some advanced booking with us, so we can foresee that these price increases are coming and that leads us with as much time to prepare. Unless and until the price increase like what we witnessed in the oil, which is much, much beyond what one would have expected.

Dharmil Shah: Understood. So, suppose when there is a price increase or a decrease in the underlying base raw material prices, the price changes that you do in your products, be it price increase or decrease, is it based on the competitor's prices, or it is more based on the raw material prices?

Rishabh Jain: Both basically. Of course, we look at the competitor prices, but normally it takes 30 to 45 days to pass on the prices. That's what as a policy, we see the prices and then, we eventually pass on the prices. But yes, we also see the competitors, because that's important for us to review.

Dharmil Shah: So, is there a policy to offer better prices than competition or at a par, or some maybe sense there?

Rishabh Jain: So, largely at par with the competitors.



- Dharmil Shah:** Understood. And lastly, I mean, some of the previous participants also asked but what would be the raw material mix, palm oil you mentioned 20%-25%, what would be the other key raw materials and the mix?
- Rishabh Jain:** So, like pulses, overall total pulses is close to 25%-30%, overall pulses, all the pulses combined.
- Dharmil Shah:** Palm oil, right?
- Rishabh Jain:** Yes, but I can get back to you with the exact numbers. But yes, that's overall pulses, 25%-30%. And there are a lot of materials, because we are into multi category, that's overall, the benefit, like edible oil is exception but yes, if any one commodity increases, that does not impact much on gross margin, like, we are into sweets, or milk is a big product, sugar is a big product, papad, western snacks, so complete we have 5-6 categories.
- Dharmil Shah:** Understood. Thank you so much.
- Rishabh Jain:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Manish Poddar from Invesco Asset Management. Please go ahead.
- Manish Poddar:** Hi, thanks for giving me this opportunity. So, just two questions, first is, let's say if I take this impulse packs, which are roughly, let's say, give or take 30% to 40% of sales. Would it be right they are largely at, let's say Rs. 10? And if that is so, what is the sort of, how much is the average grammage, let's say, because there will be multiple categories, what is the average grammage which is now available in a particular product at let's say of Rs. 5 or Rs. 10 pack?
- Manoj Verma:** Yes. So, first is the small pack or the impulse what we speak about is Rs. 5 and Rs. 10 thing, that's what it is. And the average grammage, if you look at in a Rs. 5 pack, it would be about 16%-18% average, if you look at, and for Rs. 10 it would be 2x of that, so, that's how it works.
- Manish Poddar:** And how does it stack versus the other categories in that same lens? Because, I am not sure how inflation is impacting because there's a basket of products. But let's say at this price point, because you are in the market and so you will have much better understanding. In terms of consumption brokage, is 15 grams-18 grams a good number versus the other categories in terms of this inflation context?
- Manoj Verma:** So, I think it's sort of like-to-like comparison. When you look at, say, wafers, right, so, wafers would be even lower volume for that stuff, grammage if we look at. But then again, the namkeens cannot replace the western snacks or chip or, say, Kurkure kind of stuff, and vice-versa. So, it is more when you look at that, is it a one serving kind of a stuff or not, so what we believe is, going below say 13-14 grams in a pack will not suffice even one time serving. So, that's where we look at, and we compare within our category space, should not with different categories in this space.
- Manish Poddar:** So, you are at 16 to 18 grams, is that what you are trying to say?



- Manoj Verma:** Yes.
- Manish Poddar:** Okay. And the second one is, let's say, in terms of this direct reach, so let's say in the last trailing 12 months you have added roughly 60,000 outlets. How much of this would be, let's say, in the state of, let's say, Rajasthan? And how much of it would be, ballpark, in the state of Uttar Pradesh? That will be helpful, these two data points.
- Manoj Verma:** So, I think Uttar Pradesh would be in line of about 15,000-20,000. And Rajasthan would be about 6,000 kinds of a number. Well, I can get back to you state wise, offhand will not be handy.
- Manish Poddar:** No sir, this is useful. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Ashish, an individual investor. Please go ahead. Ashish, if can please unmute your line and ask your question.
- Ashish:** Yes, hi. Thank you for the opportunity. I have one question. Your qualitative comments on the shift from unorganized to organized sector, especially, in light of the inflationary scenario, which is happening right now. So, does the shift slow down? Or how do you think this movement going forward?
- Manoj Verma:** So, see this would be purely anecdotal, out of what, we observe in the market place, because now you do not have any authentic data on the size of unorganized players and all, but movement. Of course, what has happened is that, yes, this shift would continue as the consumer and brand awareness goes up. However, what we also realize sometimes is that when these oil pressures go up, so a branded company cannot compromise on quality of products, the right oil, not use oil beyond a point. However, when we see the local players and non-organized stuff, so they do not get as impacted as much as on this stuff. So, that's the only stuff, and would vary, from state to state. But yes, now, if you look at on a trajectory of shifting from unorganized to organized, yes, that is also helping this category to deliver these kinds of numbers.
- Ashish:** Sure, sir. Thanks.
- Moderator:** Thank you. The next question comes from the line of Dharmil Shah from Dalmus Capital Management. Please go ahead.
- Dharmil Shah:** Hi. Sorry, a follow-up question on the price increase again. When you are taking price increase or decrease, is it at pan-India level or is it based on some reasons, where maybe a region, where you have a better brand you can take more price increase, how is it decided?
- Rishabh Jain:** So, normally, it is based on region, we see which region is having much impact, because mix is different in every region. So, we see region wise, and then, eventually we take the price hike like MRP increase in family pack nationally, that's what we do.
- Dharmil Shah:** Okay, and would it be fair to assume that core state would have maybe a slightly higher price increase than the focus trades?

Manoj Verma: No, it will not be the case. See, we get governed UCP, which is universal and consumer prices. Let's say a pack is Rs. 100 MRP, it would be for consumer both 100 there and anywhere, in that stuff, right. However, what we do as I was talking about that price increase is also controlled by that if I was running 5% trade scheme, right, and which is withdrawn, so it's a kind of the realization goes up as much percentage. And which is what varying from state to state looking at competitive pressure, looking at our ambition, and the strategic objective of why are we giving it, is it a tactical or a strategic investment. So, those differ from state to state. Rest, price to consumer continues. There's a MRP increase, it will not be the case that it goes up in one state and it does not happen in the other state.

Dharmil Shah: Understood, thank you so much.

Moderator: Thank you. The next question comes from the line of Abhishek Kumar from Sanctum Wealth. Please go ahead.

Abhishek Kumar: Hi, I have a question. So, we basically categorize markets into core, focus and others. So, I had a question, when does the shift from others to focus happen? So, do we have a revenue threshold or a market share threshold that when we start maybe counting other states into a focus state? And once we start doing that, what all changes?

Manoj Verma: Yes. So, I think that's a very good question. And we have spoken about it earlier also, but let me explain again. See, what we see is, it is not about our internal stuff, it is purely external and from a consumer standpoint, from our shopper's standpoint, right? So, what we believe is that wherever we are in the high single-digit market share is what we can call that that can move upwards in the core state. And say somewhere around 3-5, 3-7 would be the focus states kind of a stuff.

Now, the logic of cutting these geographies into three parts is that the states, where are brand equity is strong, market share is relatively better, we do different kind of marketing initiatives there. In the states, where we hardly are present or we have very poor presence, which is what is currently parked in our other states, there is less marketing, it's more of route to market, that you make your products available in the store kind of stuff. So, these changes would not happen very random or very fast. But yes, it's a journey of 3-5 years, that's where you see that states would be moving up. So, what we believe is that in the next couple of years is what few states from focus we would shift it to core. And, we will pick a few states from others, who are doing better or where we have our plans to invest, we will shift to focus.

To your question, what we will do differently is what we will start deploying people, investment or brands and all this stuff would start happening in those states.

Abhishek Kumar: Okay. Got it. Thank you. All the best for the future.

Moderator: Thank you. The next question comes from the line of Shirish Pardeshi from Motilal Oswal Financial Services. Please go ahead.



Shirish Pardeshi: Hi, Manoj, Rishabh, thank you for the opportunity. Just two quick questions. Fundamentally, in the times, where the food inflation is high, consumer generally does the down trading. I am just looking at Slide #22, I am referring, you have been able to maintain the family pack contribution of around 59%-60%. The sense most of the consumer companies are saying that there's a down trading, there is a pack grammage which will come down. Just tell me how you have been able to manage? Because, there is a competition also, because the competition scale has been going up and up in the snacking. And generally, my reference point is that in the snacking business, the small pack contribution would be about 45% to 50%. But you have been able to manage between 35%-36%. So, tell me, what's happening with particularly about your company.

Manoj Verma: So, Shirish, one is that, when we say that it's a down trading kind of a stuff happening. For our products, if you look at any consumer who's been buying 1 kg pack, or say that is a 400-gram pack will not move to a 13 gram or a 30-gram pack kind of stuff. Also, the impulse packs what we speak is more on the go kind of stuff, family pack is in home consumption. So, that's what we have not seen those kinds of shift. Of course, another thing what we attribute when we were doing this analysis ourselves, so we did one campaign, Bikaji Khao London Jao, so maybe, to a certain extent, that has also helped protecting our family care pack, and this is where we are.

Shirish Pardeshi: Okay. My second question is that, in the context, where e-commerce, quick commerce, these channels are penetrating faster. In the current context, snacking is a big segment and wholesale does give a lot of fillips in terms of distribution and scale. Now, in your assessment, does wholesale channel is still relevant to you? And how does it help? And what are the activities you are doing to scale up the distribution?

Manoj Verma: Yes. So, certainly, wholesale would always be a very, very integral part of our route to market structure. Because, if you look at, this category is available in about 9.2 Million outlets, right, and the source to these outlets, the media is wholesaler or hawkers only. No company can afford to make their direct reach to anywhere close to these numbers. So, that's where the role of wholesalers is. Now, the kind of activations, what we do, we do some wholesale, be it some extra discounting to wholesale, in certain cases, where the throughput of wholesale is very high so, there it's the alternate day replenishment to the wholesale. So, those other things we do on the separate wholesale, so, yes, wholesalers get disproportionate focus in this stuff.

Shirish Pardeshi: And what would be our wholesale contribution to net sales?

Manoj Verma: So, our wholesale contribution would be upwards of about 50%-55%.

Shirish Pardeshi: Okay. But for the industry it is very high, about 70%.

Manoj Verma: So, our SGO, Shirish, spoke about that, our contribution of large pack is by far high. So, yes, the companies, who are purely into Rs. 5 and Rs. 10, there this would be even higher in that stuff. And our coverage, if you look at, our reach is also not as high. I mean, once, we reach say about 20 Lakh outlets, so, perhaps that's where the wholesale contribution will also go up and will also drive our reach in that place.



- Shirish Pardeshi:** Okay. And last question, when I look back, say, sometime September, October, and then, compare November, December, the promotion intensity discounting which has gone up because the sales was not happening, in fact, Diwali has not met the expectation of most of the companies. Now, is that promotion intensity and discounting, which you have seen in the market some places, say, maybe in the wholesale dominant places, is that intensity come down because parallelly the commodity inflation is also inching up? Or things are status quo in the month of Jan, Feb?
- Manoj Verma:** No, no, it has certainly come down, so, companies are looking at increasing prices and all that stuff, so, that's there.
- Shirish Pardeshi:** Okay. Thank you and all the best.
- Manoj Verma:** Yes. Thank you.
- Moderator:** Thank you. The next question comes from the line of Sunil Shah from SRE PMS. Please go ahead.
- Sunil Shah:** Yes. Sir, just to tell the numbers, the 4th Quarter of last year has been one of the best ever for us, and we are stepping into this 4th Quarter right now. So clearly, we have burden of our own over achievement of last year's 4th Quarter. FY'25 degrow over FY'24 in terms of the number. So, my point here is to understand from you, is there any strategic thought process, which you are revisiting or relooking? You have targets of rolling out about 3,50,000 outlets by next year or so, so are we visiting any of these fundamental structural things that we have thought of at the start of the year? Because this year has been tough and challenging, especially the 3rd Quarter, so is there any revisit on the broader thought that you have in the company? Or is it like a cyclical factor and then, in 3-6 months, we would be back on track? So, just wanted to understand, is there any change in thought process in broader terms from the company's point of view?
- Rishabh Jain:** No, there is no change in the thought. Largely, our focus is to drive direct reach, that's what our focus is. This is also our target from day one we have started talking that this year we will add close to 50,000 new outlets, and we are on track, like we have added close to 38,000 outlets and in this quarter also our target is on track. So, that's what our drive is, to have close to 3 Lakh outlets this year. And that's what our target was in this year.
- Sunil Shah:** Sir, anything on the product side, western snacks or something which is perhaps not doing well, are we revisiting any of those as well?
- Rishabh Jain:** No, it's not like, it's not doing well, till Quarter 2 you will see that western snacks are doing very good. Third quarter, as we've mentioned earlier also, so largely 3rd Quarter due to palm oil and potato price increase, and non-availability of potato also for few days. So, we stopped manufacturing of or reduced manufacturing of western snacks specifically. And, that's what have resulted in zero growth. But yes, overall, end of December, again, potato prices came in at the normal level and we started production at peak. So, this quarter you will again see the western snacks growing at the same level what we are doing.



Sunil Shah: Sir, in this challenging environment, do you see any kind of elimination of competition from smaller players or anything or it would not seem substantial?

Rishabh Jain: Can you repeat, please?

Manoj Verma: Hello, may I request you to repeat the question, please.

Sunil Shah: Sure. So, this challenging environment, do we see elimination of competition of any some small, organized players or this is too small a period in which we can see elimination of competition?

Manoj Verma: So, competition in small players, if you look at, so that's the cycle. Small, regional players, few will come, few will go, that will always be happening kind of a stuff. Because certain companies are not able to sustain, not able to though even survive in the kind of environment of inflation and all this stuff. So, that always will be the story. Now, if you look at the Neilson report, any of the state would have at least 200 reported companies, who existed, and now a few of them are weeded off. So, this is an ongoing cycle.

Sunil Shah: Okay, sir. All the best. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for their closing comments.

Manoj Verma: Thank you everyone, thank you all the investors for taking time out. Hopefully, we met your expectations in terms of answering the questions, whatever came up. We will be happy to reach you or you guys can reach out to us for any clarification you wish to seek. Thank you, organizers, for being patient and organizing this call. Thanks again on behalf of Bikaji.

Moderator: Thank you. On behalf of Bikaji Foods International Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.