BIKAJI FOODS INTERNATIONAL LIMITED
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CIN: L15499RJ1995PLC010856 | GST No.: 08AAICS1030P1Z5

Ref: BFIL/SEC/2025-26/24 **Date: May 21, 2025**

To,

Dept of Corporate Services	The Listing Department
BSE Limited	National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers,	Exchange Plaza, C-1, Block G,
Dalal Street, Fort,	Bandra Kurla Complex, Bandra (East),
Mumbai 400 001 (Maharashtra)	Mumbai 400 051 (Maharashtra)
Scrip Code: 543653	**Trading Symbol: BIKAJI**

Subject: Transcript of Earnings Conference Call for the quarter and financial year ended on March 31, 2025

Dear Sir/ Madam,

We hereby inform you that in continuation to our letter bearing Ref. **BFIL/SEC/2025-26/15** dated **May 12, 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 Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended on March 31, 2025 was conducted on **Friday, May 16, 2025** at **12:00 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
Digitally signed by RAHUL JOSHI
Date: 2025.05.21 18:50:22 +05'30'

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

Enclosure: As above

“Bikaji Foods International Limited
Q4 & FY'25 Earnings Conference Call”

May 16, 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 Bikaji Foods International Q4 and FY '25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "*", then "0" on your touch-tone phone. 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 4 and 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: Thank you, Hazel, and thank you to all the investors for joining the quarter 4 and year-end conference call.

So, largely, this year, FY'25 has been a year of a lot of challenges and a lot of corrections internally. The major focus in FY'25 was to set the internal house right, be it setting a right process on the guard, bringing the right people on our bus for a route journey, setting all the manufacturing facilities, doing a lot of correction in distribution as well as settling sales organization in a right manner like a proper FMCG company. Also, we've done a lot of investment in technologies, and we have started the implementation of SAP and Darwinbox for a future-ready organization. Also, we did a lot of experiments with two acquisitions and adding few additional categories.

So, quarter 3, when we discussed last time, quarter 3 was the quarter where there were a lot of challenges, be it inflationary pressure across all key raw materials and especially edible oil. Western snacks like potato crop have in Indian prices been very high, so we stopped production last year, early Diwali.

So quarter 3 was a quarter of challenges. And when we take quarter 4, there are a lot of significant improvements, be it in the top line as well as in the bottom line. Looking at the gross margin, when we see gross margin, there was a significant uptick in gross margin than we see compared to quarter 3. Our quarter 3 gross margin on a standalone basis is close to 30.2%, where quarter 3 was close to 26%. And at a consolidated level, our gross margin is close to 31.8% in quarter 4. On a full-year basis, we've done at a consolidated level gross margin of 30.7%. This year, the company has delivered close to 10.3% volume growth and 14.8% value growth, driven by strong demand across our core product lines. From the market lens, overall revenue has grown 14.8% on a Y-o-Y basis and 14.6% year-on-year. Volume growth in quarter 4 was close to 8.9%, and full year was 10.3%. I will hand it over to Manoj ji to talk more about the business.

Manoj Verma: Good afternoon, everyone. So, the volume growth for the quarter has been 8.9%. Revenue growth for the quarter, if we look at is 14.8% this is net of PLI, when we add PLI to it, it was in last year quarter 4, we added PLI for 3 years and that's what the reason is that when we add PLI, it looks as flat, otherwise, it's a 14.8% revenue growth, for quarter 4. Ethnic Snacks category, our core category has delivered a value growth of 11.4% in quarter 4. Package sweets which are on the back for a shorter number of wedding days because this is highly dependent on the wedding season, it's a negative growth of 1.4%. However, it will be wise to look at our full-year numbers, which I'll talk about later. Western Snacks after quarter 3, where we had previously witnessed the negative growth, and this is what we explained to you all, that was a deliberate call in terms of holding our production, holding sales, not a demand issue.

And as we had said, numbers talk about it that in quarter 4, we came back at a 21.5% growth. Papad saw a 5% growth for the quarter, but then this is at our peak capacity. So relevant data point would be even more as we look at it on a full-year basis. So full year volume growth of 10.3%, revenue growth of 12.6%. This includes PLI. Net of PLI is 14.6% growth. Ethnic snacks has grown by 12%. Packaged sweets, which overall full year is a 13.2% growth. Western Snack on the back of a huge negative growth in quarter 3, but at the full year level is a 17.7% growth. Papad at close to 11.9% growth on a full-year basis.

Talking about how we look at our markets. The core markets have, on a quarter basis, grown at 10.1%. Focus states grew at 38.6%, other states at 12.5%, and the export growth has been 29.4% in this quarter. However, at an annual level, when we talk about the core sales growth is 11.6%, focus is at 26.2%, other states is at 15.1% plus and the export is at 22.5% growth. We have been reading and hearing that the growth is high on the impulse pack.

But for us, by investing behind our marketing plans and marketing campaign, which we also spoke in the last quarter, that was about Bikaji Khao London Jao focused more on the large packs, help us deliver a higher growth in the family pack, which has grown at 13.8%, whereas the impulse pack is at 9.3% growth in the quarter.

At a full year level, family packs have grown at close to 16% and impulse packs at 10.5%. In terms of our reach, if we speak about that, so as we got into this financial year, we spoke about that we will -- the target that we took was to cross the 3-lakh mark in our direct coverage. So glad to inform you that we have surpassed our numbers.

The team has done a good job in terms of a consistent improvement in our direct reach, and we have ended the year at 3.11 lakh outlets. When we speak about indirect reach, this reflects or translates into indirect reach, which is now upwards of 12 lakh outlets. That's where Bikaji has been present this year.

Rishabh Jain: So, from a revenue perspective, we've grown at 14.8%. When revenue from operation looks flat, but yes, other than PLI, it's 14.8%. From an EBITDA perspective, basically, quarter 3 was an exception. So, quarter 4, again, we came in close to 11.2% EBITDA on a stand-alone basis. And by consolidated, it's close to 10% EBITDA. So, from a raw material lens, what we're seeing and what we explained last time this year, all the pulses settle in a good favour, wheat, all the key crops that we purchased are at a very low price, which has supported us to improve our gross margin. And also, we have taken a few price hikes back-to-back in quarter 3 and quarter 4, which has helped us in getting a gross margin back to close to 31%.

So that's part of the presentation. We are happy to answer all the questions. Thank you.

Moderator: Thank you very much, we will now begin the question-and-answer session. The first question is from the line of Abneesh Roy from Nuvama. We seem to have lost Mr. Abneesh's line. The next question is from the line of Nitin. Please go ahead.

Nitin: My first question is on our reported volume growth at 8.9%. And if we take around 10% organic business growth, we get to 1% realization growth in Q3, we had 3% volume and 8% sort of organic value growth. So there is a 5% realization growth in Q3. So that growth has come down to 1% in Q4. So, can you help me explain this?

Rishabh Jain: Can you repeat, please?

Nitin: No, I'm referring to your Q3 and Q4 performance. So, for the organic business, my calculation, this quarter, we have done around 8.9% volume growth and around 10% organic business growth. So, there is a gap of 1%, which is largely a realization growth. Same, if I compare with Q3, it was around 3% volume growth and around 8% organic value growth. So there was a gap of 5%. So, this 5% is coming down to 1%. I'm unable to sort of figure out what led to this?

Rishabh Jain: Our consol growth is close to 14.6%, and volume growth is also on a consolidated level of 8.9%, right? So, if you look at 14.8%, it is close to 4.5%-5% growth.

Nitin: I basically wanted to take away the M&A part, Ariba and Hazelnut from the financial and wanted to analyse?

Rishabh Jain: So basically, volume growth without a stand-alone is close to 7%-7.5%. And also, one thing to last year's credit, within this quarter, was not added that quarter 4 of last year. In quarter 4 of last year, quarter 3 was full of promo pack versus this year, there's no promo pack. So, realization also changed this year, and the product mix also changed. But overall, the realization improvement was close to 3.5%.

Manoj Verma: So this is what we had explained in the last call as well, that while it's looking like a few percent growth but if you look at revenue growth was in line with 8%. Now this quarter, there is very little impact of a consumer offer of a 10% extra, which was there last year.

Nitin: Okay. So the bulk of the promotion was in Q3 in the base quarter, and Q4 had less effect on that. The second question is concerning the gross margin ahead. So with palm oil prices and now below September sort of I have seen a correction of, say, like the gap from September '24 is around 17% on a Y-o-Y Malaysian Ringgit and the duty hike was 22% so like we seem to be getting in a favourable zone, like we have effective price hikes also. So, how do you see the margin outlook ahead in FY'26 gross margin outlook?

Rishabh Jain: If we talk only about edible oil, palm oil basically, so the peak of palm oil was close to INR137 – INR142 per litre but largely, we have seen that there is a softening in coming quarters, it will be at 120, but we don't see it going beyond this. So 120 will be the new normal. That's what, as an industry, we expect from a palm oil perspective.

But yes, overall, this year's crop has been very supportive, and this year crop is monsoon rain, is good. So, what we see is that overall gross margin and EBITDA FY '25- '26, we want to get our original gross margin by quarter 2. That's what we have told last quarter, and we are on track that this year at the standalone level, we are close to 31.8% in quarter 4. Our target was 32.5%. So, we are on track to achieve that.

Nitin: Okay, thank you. And lastly, can you please help me update, like what is the cumulative price hike we have accepted in Q3 and Q4?

Rishabh Jain: So, in Q3 and Q4 price hike was because it was a mix of products, and also, there were a lot of changes in the impulse pack. So overall, at the average level, the price hike is close to 2% to 2.5%. We are taking on a price hike in April. So in quarter 3, quarter 4, it's close to 2% to 2.5%.

Nitin: 2.5%, you are saying, and this includes the price hike we have affected post duty increases, or excluding that?

Rishabh Jain: This was in quarter 3, right, so quarter 3 and quarter 4 combined, we have taken the price hike average of 2%- 2.5%.

Nitin: I didn't get you for Q1, your voice dropped.

Rishabh Jain: So, in Q1, basically, we have taken some price hike.

Moderator: The next question is from the line of Percy Panthaki from IIFL Securities.

Percy Panthaki: Sir, just some confusion on this topic. So, if you can just tell us on a consolidated basis, what is the organic sales growth this quarter?

Rishabh Jain: So at the consolidated level, the organic sales growth is close to 14.8% in this quarter at consolidated level.

Percy Panthaki: So there is no inorganic element at all? Is it because that is the growth that you have reported anyway?

Rishabh Jain: So, at the standalone level, our top line has grown 11.3% in this quarter, and at the consolidated level top line has grown 14.8%.

Percy Panthaki: And the difference between standalone and consolidated, what are the businesses which fall between the two?

Rishabh Jain: So basically, one is THF i.e., The Hazelnut Factory, which we acquired, which we had taken actually in last quarter, quarter 3, then the other one is Ariba...

Percy Panthaki: But Hazelnut Factory is an associate, right? So, you would not be consolidating the sales, right?

Rishabh Jain: We have the right to merge that because in Ind AS, we need to merge into our overall financial.

Percy Panthaki: Okay. So, the consolidated sales do include the sales of Hazelnut Factory?

Rishabh Jain: It's very small as of now, the yearly top line of Hazelnut is close to INR55 crores- INR60 crores at the yearly level, we acquired it in quarter 3 last October, November, in quarter 3.

Percy Panthaki: Okay. So, if I look at organic sales at 11.3%, it is lower than the usual 16%-17 % growth that we used to clock at a few quarters ago, so what is the reason for this lower growth? Is it just a general sort of industry slowdown? Or is there some other reason behind it?

Manoj Verma: I think it's a mix of both, Percy. So, when we cut the year in two parts, the first half and the second half. So, the first half was well on track, close to 16% growth. Quarter 3 was the quarter that actually slowed down both from the external factors and the internal consumption factors as well.

So, one was inflation, all that stuff, the overall demand. And the second was that we could not supply because of this, like what I was talking about, that we witnessed almost about 15%-20% negative growth on our western snacks, which was an 8% contribution to our overall business, kind of stuff. So those were the factors which brought it down. If we look at the upward movement in quarter 4, it is by far up, and it's on an upward movement. So, to your answer, yes, 11.5% is a little muted growth vis-a-vis the growth that we have been doing, but that also reflects the overall category growth also in that sense.

Percy Panthaki: So, is there any visibility on the category growth improving in the near term or that we will have to wait for that?

Manoj Verma: See, this is a dynamic stuff, but what we see and witness in the market, both from a demand standpoint and also when talking to these people, so objectively and subjectively. So, we are seeing that this quarter 4 onwards, there's a positive movement. The Urban regions in quarter 3 and till the first half of quarter 4 were pretty stressed.

And urban also, when I say 33% of urban is the metro towns, which actually were flat or have de-grown in terms of consumption. This is the overall food industry I'm talking about. Whereas Tier 1 and Tier 2 towns were doing better, but now there's an upward movement across. So going forward, what we see, looking at the crop, looking at a lot of corrective action, looking at the infusion of what the government has done, I think this should only look up. So, the worst is behind us. That's how we look at it.

Percy Panthaki: So, this upward movement, is it already visible on the ground to you right now? Or it's sort of something that you're expecting will come in the near future?

Manoj Verma: No. So that's what I'm saying. So, we compare over quarter 3. So, all metrics are up and far ahead of what it was in quarter 3, which is an indication of that stuff. Also, one is that you depend only on external factors. Secondly, what can we do? So, circle of influence, what we call is so there's a lot of readiness above preparedness in terms of the marketing campaign, in terms of the product mix, the pricing and all.

Our end objective is to grow ahead of the category and beat these external factors as well. So, both ways from both macro factors, we see that there is a positivity that should be an upward movement. And internally also, so how to fight against this, that readiness also gives us confidence, and that's what we are talking about.

Percy Panthaki: Just a clarification on this, sir. You mentioned that in Q4, you have seen better momentum versus Q3, but on an organic basis, the sales growth is roughly the same; it is 12% in Q3 and 11.5% in Q4.

Rishabh Jain: So, 12% in Q3. So, if you see it on a standalone basis, it was close to 6%.

Percy Panthaki: Okay. Okay. Got it. Got it. The second question is on the focus state.

Manoj Verma: So, it is 6% to 11.5% for the quarter.

Percy Panthaki: Got it. Just on the focus states, this 36% growth that we have seen, is there an inorganic component to that as well? And if you can break that out, if so?

Manoj Verma: Yes. So, like what Rishabh spoke about that the THF i.e., The Hazelnut Factory, which is primarily in the UP state. Otherwise, it would be, say, of course, of 22% kind of stuff.

Moderator: The next question is from the line of Anand Shah from Axis Capital.

Anand Shah: Can you call out how much is THF and Ariba done, let's say, in the second half and for FY'25, at least on an annualized basis, what run rate is it clocking? And what is sort of the ambition for FY'26?

Rishabh Jain: About THF and Ariba. So THF basically has given close to INR11 crores- INR12 crores in quarter 4, and Ariba close to INR7 crores- INR7.5 crores. So that's a mix overall from THF and Ariba in quarter 4. However, from an outlook lens, what we see is that THF can do close to INR90 crores of business in this FY'26, and Ariba can do close to INR50 crores. So that's the target that both brands have for FY'26.

Anand Shah: I mean, INR18 crores came from these two brands. And on the margin side, would this be at similar margins to the business? Or how does that stack up?

Rishabh Jain: So, from the THF link, for the retail business, quarter 3 is the highest profitable business.

Anand Shah: Yes, I mean so on an annualized I am saying, not quarterly.

Rishabh Jain: Annualized is largely the same. Ariba is not making money as of now because it's running at low utilization, but it's very small.

Anand Shah: And Ariba will largely be for the back end in the frozen part, right?

Rishabh Jain: Back-end frozen part, right. That's an addition to the category for us.

Anand Shah: Got it. Got it. So that eventually, it is not more revenue generated, but that will feed more effectively into your QSR ambition.

Rishabh Jain: QSR as well as export, because in export frozen part is very big.

Anand Shah: Yes. Okay. Okay. Okay. Got it. And on distribution expansion, I mean, you've been talking steady growth. So, what is the target there? I mean, for FY '26- '27, let's say, will you continue to add 20% plus outlets?

Manoj Verma: So, yes. So, our expansion would be a continued initiative because today, we are at about 11%-12% numeric distribution at a pan-India level. So, there's a huge room of growth but the approach what we are saying is that we will do a quality distribution increase, which eventually should reflect in the Nielsen or say the REIT stuff as well.

So, this year, the target that we had taken last year was to cross the 3-lakh direct coverage mark, whereas we ended it at 3.11 lakh outlets, that's the final number which it is. Our plan is to add 50,000 year-on-year outlets. That's the target. for the next 3 years. So, we would be reaching around 4.5 lakh outlets directly in the next 3 years.

Anand Shah: Got it. The 15% compounding at least on the distribution side. And most of this would be focused markets?

Manoj Verma: So, primarily focused market, but yes, there is little room for focus in the core markets as well. So that would be a defense strategy, so as to how to approve or how to take head on with the local and the regional trade as well. So, in the rural core market is where our focus would be, whereas in the focus market, it will be primarily urban, followed by rural.

Anand Shah: Got it. Very clear. And lastly, I mean 2%- 2.5% is the pricing you've taken in Q3- Q4, and you took one in April, right? I mean, what was the quantum of in April?

Rishabh Jain: In quarter 1?

Anand Shah: Yes, in Q1.

Rishabh Jain: So quarter 1 is close to 0.5%.

Anand Shah: And so right now, no plans. I mean you are largely covered with.

Rishabh Jain: Right now, I think we are done with all the increase in price. And we are hopeful that by this, there will be a lot of product mix and cooperation costs in program running on. So we'll be hopeful that with this, we'll be back on track with our original margin in GM and EBITDA.

Anand Shah: And that you are saying second half FY '26 is broadly...

Rishabh Jain: Yes, yes.

Moderator: The next question is from the line of Darshit Vora from Asit C Mehta Investment.

Darshit Vora: My question was on focus states. So, we've been seeing good growth in focus states when compared to core states. And we're also seeing increase in Family pack salience of about 100 basis points year-on-year. So, what is it that you're doing that is driving this increase in salience? And also, that do you expect it to sustain going forward, especially in the focus markets?

Manoj Verma: Yes. So, I'll take your last question first. So yes, we would continue to grow focus states faster than the core states, for two reasons. One is that their bases are not as big as what we are in the core states. So that's one reason. The second thing is the kind of efforts we are making, the investments we are making, they have to give us a disproportionate result.

So that's the reason that these focus states would continue to grow faster. That's one. On the large pack and small pack, for us, the large pack is equally important, and that's what is one of our fortes or the brand strength that in-home consumption, modern trade equity, we enjoy more. However, what we see is that the small pack is an opportunity for us. Therefore, the focus would be on driving both these packs, the large pack and the small pack.

Darshit Vora: Yes. So, my question was towards understanding that despite the increase in focus states higher than core states, we are seeing more salience in family packs. So, what kind of thing is driving that thing?

Manoj Verma: Two, three things. One is today also, if you look at in focus states, our market share when we look at just the large pack is by far high. So, in the stores where we are selling, the distribution is an area of improvement, whereas in the store where we are selling large packs, what they are selling is doing good.

So, there is a same-store growth also happening, which is basis the large pack, that's one. Second is modern trade and new age, of new age is the quick commerce growth is on the back of large pack. That's the factor which is doing good. Lastly, the promotional campaign, what we do and mostly what you can really address is on the large pack, like last year, for 4 months, we did a mega campaign, which is Bikaji Khao London Jao, this was all on the large pack itself.

So those are the factors which is helping this large pack growth in focus states and overall, also. Like other states, if you look at the major contribution is the large pack. It's less of a distribution. It is more about leveraging the modern trade stores across states.

Darshit Vora: All right. All right. Okay. That's great.

Manoj Verma: But going forward, you will see that as we get distribution high, so small packs will also be growing faster. So we are not taking our eyes off the small pack. They have a role to play.

Darshit Vora: All right. So, we expect the overall breakup to remain largely the way it is right now, with both growing equally?

Manoj Verma: Yes. So, going forward, you will see that the small pack will grow a little faster. That's what the strategies and the initiatives which are rolling out are the ones because that's how we will gain new outlets, indirect reach will not be on account of a large pack. It will be the small packs that will be playing the role.

Darshit Vora: All right. Okay. But then, because of that, would it bring some kind of volatility in terms of volume growth that we see or in margins as well?

Manoj Verma: Not really. No, no, not really.

Darshit Vora: All right. And secondly, we've been seeing a slight decline in package suites, and you alluded to the fact that there was weakness in the wedding season, the last quarter and before that. So, apart from this, any other reasons that are playing into this decline in packaged sweets growth?

Manoj Verma: No, no. I think the right way to look at it is at a full-year number; that's the right number to look at. Secondly, the sweets, if you look at is a key about, say, 75% of our business happens between Rakhi to Diwali. So that is four months contributing to about 70%- 75% of the sweets business, which is really, really big.

And that's why, if you look at our capacity utilisation is upwards of 100%, kind of on the sweet stuff, right? Quarter 4 and the rest of quarter 1 and quarter 4 are the weak quarters on the shelf. And then they are highly dependent on the wedding season because that's when we sell bulk sweets as well.

Now, if we look at the number of total wedding days this year, by far less than what it was in last year's quarter 4, so that's the reason that this quarter 4 looks small. But it's a small business to our overall pie. Hence, I don't think that's a cause of concern.

Moderator: The next question is from the line of Abneesh Roy from Nuvama.

Abneesh Roy: So, you have a plan for house-of-brands strategy over a longer time frame. Could you update us on what the thought process is there? Are you going a bit slow on that so that you can first understand these acquisitions? what is the way forward? And on your own restaurant foray, if you could update FY'26, what is the expansion plan there? Are you happy with the FY'25 performance of the restaurant business?

Manoj Verma: So, restaurant business, Abneesh, as we spoke about that we will get into that stuff. So, yes, we opened one store in Rajasthan. That's so-called QSR stuff in Sikar last quarter, we did one. This year also, we'll add about 4 to 5 outlets, and this is what we had called out. So therefore, in our growth plans, QSR is not really adding up, or we are not taking any large numbers on that account.

Certainly, for next year, hereafter is what we'll call out on our QSR strategy. So that's how the plans are. Other than this, on the house of brands, if you look at THF, yes, it's doing good, so it's a retail brand, the aggressive plans they have are falling well in place. That's where it is.

Bhujialalji, which was a small acquisition, and that was clearly to play on the modern trade and on the e-com platforms as a brand B strategy that has also now fallen into place. But going forward, what our plans are that we will not add; we'll try and build even a larger brand. That's the strategy.

Abneesh Roy: Sure. My second question is on the demand side. Most FMCG companies in Q4 call have said a strong outlook, a better outlook in FY'26 versus FY'25. You have delivered around 10% kind of volume growth in FY'25. Of course, there is an aid of the 10% extra grammage which you are giving, especially in the first half.

So, if you marry the extra grammage which you are giving, which is there in the base and softer food inflation and some of the other macro good monsoon, lower interest rates, then how do you see your volume growth? Would you target a high single-digit kind of volume growth in FY'26?

Manoj Verma: No. So what we are looking at is 12% to 13%, kind of a volume growth in FY'26. And I think our strong plans are in place, so what we say should happen. I mean, that's how we look at it.

Abneesh Roy: But what has changed? Because I remember in Q3 most FMCG companies, including you, were saying the overall demand situation is quite challenging. And Q3 call was having a lot of questions on the real volume growth ex of the 10% grammage and all that kind of question.

And now, within one quarter, you have seen a good performance improvement. Q4, 11% like-to-like standalone growth versus 6.5% previously. So, it's a good performance. And now you're talking about 12% to 13% volume growth. So, one is, how confident are you? And second, is this more of a sector change or is this something you have really cracked as a winning market share, which is giving you the confidence level?

Manoj Verma: So, Abneesh, two things. As you started off with quarter 3, let me answer that. So, quarter 3, we witnessed about 20% negative growth on western snacks, volume growth, I'm talking about, right? Now western snacks contribute to 8% of our business with a 20% negative growth, and we called it out that that's not a demand issue. That's purely a supply issue and a conscious call which we took, right?

This quarter, again, we have bounced back with upwards of 20% growth in the Western category. That in itself, that's one. Second is that last quarter, the denominator or base impact of the 10% extra scheme was also impacting our volume growth, which we tried and clarify that net of, if we look at revenue volume growth, it's upwards of 8.5% kind of stuff.

So that's one quarter 4 over quarter 3. Going forward, what we are saying is that overnight these growths will not come up to the kind of positive momentum that we are seeing, the way the company Nielsen is projecting kind of a growth. So, this would be an upward trajectory, quarter 1, quarter 2 and thereafter. That's what it is at a holistic level. We are optimistic on a 12%-13% volume growth.

Abneesh Roy: Sir, last question on capacity expansion. You did say papad growth was slightly constrained because of capacity being full. So, in FY'26, any plans to add capacity in any of your verticals, either through third-party or in-house?

Rishabh Jain: So, in papad, we don't need a major capex. It's largely a fully manual process. So yes, there is a small plan to increase the capex, but it will not involve a major investment. But yes, in papad, we're also taking a growth of close to 10%-11% this year.

Abneesh Roy: And other verticals, anything you want to call out on capex?

Rishabh Jain: On the capex perspective, so that we are investing in one big warehouse in Bikaner. So that investment will be close to INR60 crores – INR65 crores, and it will be part of CWIP, which we have filed in the numbers of March '25. So, this mega big warehouse will come up in the next 3.5- 4 months.

So, this will solve the logistical issue. Currently, we don't have space to keep stock for more than 2-2.5 days. So that's a lot of production issues coming, keeping up. So that will solve this production issue, and it will help in improving our rate of sales. So, these are big investments coming up this year. And there is no other major capex addition. It will be a regular maintenance capex that will be coming up this year.

Moderator: The next question is from the line of Amit from HG Hawa.

Amit: My question was with respect to, like, what is the ad spend as a percentage of revenue? And how do you evaluate the ROI across campaigns?

Manoj Verma: Yes. So, our ad spends, as we call so well within budget; what we say it's close to 2% is our ad budget. And this is what we park aside for the year to come as well. So that's the kind of number we are budgeting, or maybe a little ahead of that. So, the mood point is that, yes, we believe in marketing investment and would continue to do that.

ROI when we speak about it, it's not as easy because there are lots of overall umbrella branding umbrella activity, what we do to help our entire business grow. So, in the name of Bikaji, not brand-specific. But yes, whatever we do, say, for example, the mega campaign, what we did was on the BKLG, so it is Bikaji Khao London Jao. So, we saw a huge upward increase in our large pack.

And that's what has helped large packs grow by far ahead of what the industry, the category growth, or other players have seen; that's one. Second is that our gifting, which is seasonal, includes gift packs and also sweets. This is a huge number. Now, while selling is one part, you also have to ensure that off-takes happen or complement the sell-in part.

And to support that, there is, again, a huge media investment in what we do across communication vehicles, and this is where we spend. And the proof of pudding is and how we look at it is that if we could generate offtake, so there is at least of leftover or nil leftover at our retail outlets, it speaks about the success of the marketing investment, and this is how we look at it.

Amit: And the second question was, can the modern trade and e-commerce, like what share of our revenue comes from these channels? And do you plan to expand them further?

Manoj Verma: Certainly, yes. So, if you look at the last 3-4 years, modern trade has been or both these channels have been growing faster than the overall business or general trade. To compare with we would continue to invest in both these platforms and would be growing.

So modern trade is almost 2x-2.5x of the overall company growth. This e-commerce channel is even higher. It grew at almost about 50% last year. That's the kind of growth. And we see this continued momentum.

Amit: Can you give a number, like what percentage of revenue comes from these channels?

Manoj Verma: So about 8% comes from our modern trade channel, and 2% from this Q-com e-com business.

Amit: Sir, any plans to enter any adjacent FMCG categories like beverages or something like frozen snacks?

Manoj Verma: Not for now.

Moderator: The next question comes from the line of Manish Poddar from Invesco Asset Management.

Manish Poddar: So just two questions. One is, in this pricing, which you have taken, how would we stand against competition, let's say, both unorganized and organized? Would they have followed a similar pattern? If you could give us some sense on that.

Manoj Verma: So see, if we compare against organized players, so this is one when we say 4 key stuffs, so pricing is one of it. We cannot be over-indexed or under-indexed. So, this is almost hand in hand. But of course, when we speak about the local, regional or say, the unorganized small players, we never look at it, and they are always cheaper.

So, they are at about what 0.85 index to what we are. That's the kind of differential. And we are very mindful. So, when we take any price increase, it's not a random call or it's not in isolation. We do quite a study in terms of brand-wise, in terms of company-wise, geography-wise, and that's how we take price increases.

Manish Poddar: So would it be right that let's say, you're saying about the price index, but let's say, the unorganized players would have also taken a price increase alongside.

Manoj Verma: So with the commodity price increase, like if palm oil has moved up from INR85 to, say, INR140 or INR125. So they also cannot survive. So they have also taken a price increase. I'm saying the differential would continue.

Manish Poddar: Okay. And Verma ji, if you can call out, let's say, how the second one is, what is the growth in Rajasthan for the full year, if you can help with that?

Manoj Verma: So, Rajasthan full year is about 12%, close to 12% is the Rajasthan growth.

Manish Poddar: And in volume terms.

Manoj Verma: Volume terms, it's about 8%-8.5% kind of volume growth. 8% or 8.5% kind of. I can get back to you on this stuff.

Moderator: The next question comes from the line of Sunil Shah from SRE PMS.

Sunil Shah: My question is slightly on a long-term basis. Safely, I want to have a thought process for the next 3 to 5 years. And as a company, if we intend to grow at a 15% CAGR, kind of a certain number. Sir, the driver would be that we are increasing our distribution network, that 311,000 will scale up to about 4.5 lakh over the next 3 years or so, 50,000 every year. So that is one thing that we are increasing our presence. The second is once our presence is established, then we can keep on introducing new products over there. At the same time, we can increase the same-store sales.

How are we looking at this situation over a long-term point of view in terms of distribution, in terms of new products, in terms of sales per store, specifically in the context of competition, which is really there for us and also the ability to have price rise in a scenario of increased raw material prices. So, if you could give us some indication strategically from a 3-year point of view, or a slightly longer period, is also good.

Manoj Verma: Sure. So, see, when we say 15% growth, a kind of number, so the assumption is that, say, a high single-digit number would be the category growth. So that would be organic growth. We'll have to hold to that. And then we have to do differential growth so as to gain market share. As we speak, we are less than 9% or say, 8.5% market share. So, there's a huge headroom where we don't aspire to be, say, Haldiram, but clearly if we say that our aspiration is next 3 to 5 years' time, we should be at about 11.5% to 12% market share, that's the ambition. And this we can achieve if we differentially grow into the category growth.

Now the growth drivers would of course be the distribution, so that's reach, and the second is the throughput increase. So, in the core states where our market shares or our penetration is already high, where the task is to grow same-store growth, throughput. And so here, if you look at, let's say, if core states, say, Rajasthan, have grown by 12%. So here, the same-store growth is 8%, and 4% is the new store growth kind of a number.

Whereas when we get into focus states, this is the reverse. So, it is more led by new store growth and not as much by the throughput growth. Now to complement our distribution or the route-to-market initiatives, the role of marketing is to create brand awareness and which is what will help generate same-store growth and all. That's the strategic call. In terms of new product introduction, new categories, that's what we are keeping out of scope when we speak about these growth plans going ahead.

Sunil Shah: Right. Okay. Sir, in FY'25, it has not been a year which has been really great that we can boast about it. Anything which was structurally important for us, which would kind of deviate us from the 3-year thought process?

Manoj Verma: So sorry, I missed one of the earlier questions wherein you spoke about the pricing part as well that also what happened. So, what happens is that, of course, last year, this was the second half wherein the inflation challenges came in. So, this quarter 3 was derailed, right? And this hit not only us, the overall FMCG industry or the overall industry per se kind of was down.

I think the resilience that we as an organization showed is that we still did our best in the worst and bounced back in quarter 4. Going forward, however, this category is highly dependent on the commodity prices. But I think the departure from what we have already made is that we are not solely dependent on the commodity prices, the ability to react and ability to make predictions of what is coming our way is what I think we are much better prepared than what we were before.

So that's the structural change what we have done and built in the organization. However, these are dynamic numbers that sometimes these commodity prices are by far beyond expectation and that impacts us, but then I think that's the way this will move.

Moderator: The next question is from the line of Niril Parekh, from Awriga Capital Advisors.

Niril Parekh: So, after the PLI income growth and manufacturing plants ramp up completely from a higher perspective, what are the steady-state parcels that we would think about the company?

Rishabh Jain: So, you are talking after 5 years, right?

Niril Parekh: 5 years. Yes.

Rishabh Jain: So basically, we've got PLI until FY'27. Currently, we have invested in all the plants where we are giving a minimum guarantee, there are high-cost running plants and lower capacity. And all the outside plants, new plants, are running at low capacity. So, of course, PLI will phase in next 2 years, but our capacity utilization will increase significantly in the next 3- 4 years. And this will offset PLI income, and what we think our steady EBITDA after 4- 5 years should be around 15%.

Niril Parekh: Okay. And is that driven by any product mix which would lead to improving...

Rishabh Jain: Of course, it will be driven by multiple things, be it investing in branding. So it will help in commanding a price from consumer number one. Number two, of course, product mix is an important thing because we are already focusing on a few products which are high in gross margin, currently contributing close to 15%- 16% target to take this to 18%- 19% in the next 2- 3 years, investing in cost saving program within the organization at each level, be it production, logistics or building strong trade scheme systems.

So getting proper ROI of each investment that we do, be it in sales or elsewhere. So there are multiple things going on as an organization, which would help us in driving this 15% target.

Moderator: The next question is from the line of Nitin from Emkay Global.

Nitin: I just wanted to check if the Rajasthan market has grown 12%. So, how has the growth been in other core markets like Bihar and Assam?

Manoj Verma: Yes. So, it's Rajasthan, followed by Assam and then Bihar. So that's how the growth stuff.

Nitin: Okay. And the second question is with respect to the start of the call, Rishabh ji has highlighted lots of corrections internally. So can you please help us like the key initiatives we have taken internally, like apart from that he has deliberated on SAP implementation and Darwinbox and all and M&As?

Manoj Verma: So, I would rephrase that correction, I mean, I think the right way to put it is that keep the improvement. So it would be a consistent improvement or improvement over what we're doing. So let's say, for example, ERP, Microsoft 365 is the ERP which we have been using. What we felt and studied was that having SAP would help us increase our efficiencies, link all functions better, and so all. So that's an improvement on our investment, we decided to do. That's one.

Right now, the distributors, so this would always be a dynamic thing that how do you upgrade the distributors. So as you grow business certain distributors, you find that now the ability to invest in business, financials or maybe in terms of their bandwidth for the increased business, not so, then you have to take certain tough calls and say that now we'll have to part ways with a few of them.

So those are the kinds of improvements in our distribution network. Talking about people's rights, so doing P/P, so performance to potential metrics, there's always a tail which you'll have to cut and see how you improve overall capability standards in that stuff.

So those are the things, I'm not talking about HR, and you also touched upon the Darwinbox got deployed. So earlier, the PMS that we were using, we felt that now this would be, as the size of our organization is growing, as the people number is growing, we need to have it even better version of it, and that's where the investment in Darwinbox. So that's how the improvement over the years is what's happening.

Nitin: And the last bookkeeping question on this employee cost increase for this quarter. Is there any specific reason for this?

Rishabh Jain: So, if you look at a standalone level, there were some groupings which was part of last year's other expenses, which have been employee costs. So, it is corrected it was done in this year. And overall, the employee cost, if we exclude this, is close to a 16% increase in employee cost.

Nitin: Okay. Just last, sort of a suggestion or sort of help we need in terms of going ahead with the M&As in the business. So, it's getting a bit complicated. If you can sort of help us provide a disclosure separating the organic business and M&A, that would be really helpful.

Rishabh Jain: Sure, thanks for suggestion.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Manoj Verma: Thank you once again for being on the call. Hopefully, we could answer your questions. And we would appreciate taking any questions which is left out, and one of you or any of you can reach out to Prateek for these questions, and we'll get back to you on that. Thanks. Thanks, once again.

Moderator: Thank you. On behalf of Bikaji Food International, which conclude this conference. Thank you for joining us, and you may now disconnect your lines.