



BIKAJI FOODS INTERNATIONAL LIMITED

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Ref: BFIL/SEC/2025-26/89

Date: November 18, 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 half year ended on September 30, 2025

Dear Sir/ Madam,

We hereby inform you that in continuation to our letter bearing Ref. **BFIL/SEC/2025-26/79** dated **November 03, 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 half year ended on September 30, 2025 was conducted on **Wednesday, November 12, 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
Head - Legal and Company Secretary
Membership No.: ACS 33135

Enclosure: As above



**“Bikaji Foods International Limited
Q2 FY’26 Earnings Conference Call”**

November 12, 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 Q2 FY '26 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 touchtone phone. 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 Q2 FY '26 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 very much, and thank you all for taking this time to join our investor call today. While the detailed business performance presentation has already been shared, I'd like to take a few minutes to walk you through some key highlights before we open the floor for questions. We welcome this positive GST change in our core category, Ethnic Snacks to be precise, which will have a long-term impact in making this industry more organized.
- However, this is also impacted in the shorter term, like in this GST changes announcement came on 3rd of September and then it was implemented on 22nd of September. So, in this quarter, in September month, as trade channels held back some purchases awaiting some revised new MRP because the GST changes came from 12% to 5%. So, we have lowered down our MRPs, increased the grammage impulse pack. So, there was some short-term impact in September month.
- If you see this quarter in 2 halves, basically, July and August, it was doing fairly well, where our ethnic snacks growth was up for 10%-11% versus overall at a quarter-end level, our growth was close to 5%. So, September was impacted in the short term. But overall, what we see is that in longer term - longer term, we see good results.
- Despite this, we delivered a robust top-line growth of 15.2%. And if we see quarter-on-quarter growth, the growth was close to 27%. Our EBITDA came at 15.4%, marking this as the highest level of EBITDA in the last 5 quarters and continuing our upward trajectory we have been driving from last many quarters.
- This improvement also reflects a more balanced product mix approach, as sweets have been delivered extremely well in this quarter and distributing commodity price and our hedging policy as well as fuel pricing policy has helped us in delivering this EBITDA.
- Our GM, excluding PLI is 34% at a consol level, which is also the strongest in the last 8 quarters. This has been the highest in the last 8-9 quarters, reinforcing our positive structural improvement in our portfolio, as well as pricing discipline. The export business continued its strong momentum, outperforming expectations.

Our export business in this quarter has delivered upward of INR50 Crores of revenue. This is a clear outcome of a consistent investment in building a capable team, expanding market coverage and strengthening product capabilities. Our investment in Ariba Foods, which is our frozen factory in Indore, has also helped us in delivering this momentum and growth.

In the ethnic snacks category, performance was muted. Of course, it was due to GST, largely in September month. However, what we see is that overall, in this quarter, the next 2 quarters, this will change, and we are expecting high-teens growth in the ethnic snacks category in quarter 3, as well as quarter 4. Quarter 3 was also impacted in the shorter term in a core market like Assam, where, therefore, there was also some GST change, but there was a Zubeen Garg issue, where the overall Northeast had been closed for 4-5 days and impacted for 4-5 days just post GST change. So, it is impacted in the short term.

Overall, the quarter reflects the resilience of our business model and the growth strength of our execution across categories and channels. From the production capability lens, overall, this quarter, quarter 2, we were at about close to 52% utilization. And what we see next, we completed a capex cycle in FY '25, where we invested close to INR 500 Crores, including our CMUs.

And for this, the government has also granted us the PLI scheme of INR 261 Crores. So, we see that next 2-2.5 years, don't require any major capex. It will be just a regular capex, NPD alignment or just a few capex, which we require for maybe in the sweets category or some warehouse, which is coming in Bikaner – a big warehouse. But yes, overall, from the production lens, this capacity is enough to have the next 2- 2.5 years' supply.

Manoj Verma:

Yes. Talking in terms of the distribution expansion, the momentum continues. However, we have not added many outlets in this quarter, so that at least reaches close to 3.3 Lakh outlets and is very well on track to deliver 3.5 Lakh plus outlets by the end of this financial year. In terms of our marketing investment and the initiatives what we took, one of the major ones, where we identified that the small pack growth is not in line with what we were actually looking at.

So that's what we planned a mega promo on our small packs, which is INR 5 and INR 10 ethnic snacks packs, wherein, it was with Paytm, so equal amount of money is going back to the consumer. So huge stuff, but this only started in the fag end of the quarter. So most of the benefit we would witness in this quarter 3 now.

Besides this, we also started a campaign because looking at that bhujia, how can we further fuel the growth in this bhujia category, which is big for us. So, we launched a campaign in our core market, which is Bhujia Ho Toh Bikaji. This is what was very well executed and has started in the month of, say the end of September, and now will run throughout this quarter 3 as well.

In terms of business performance, quarter 2, we talked about overall as for the company volume growth is 10.8%, revenue growth of 15.2%. Ethnic Snacks, as Rishabh just touched upon, is at 4.6% growth. But if we break this 4.6%; so, 2 months i.e. July and August, were with double-digit growth and September on account of the 20-day huge market disruption that brought this

number to this growth. Otherwise, in an ideal situation, this would have been a high single-digit growth now if these disruptions were not there. Packaged sweets grew at a 32.3% growth. Now 2 factors, one, of course, there was early Diwali. So therefore, a little bit of business got shifted from quarter 3 to quarter 2.

And secondly, what is more important is that the sweets weren't impacted with this GST regime change. So in the erstwhile regime, it was 5%, and it continues to be at 5%. So, there was no holding of purchase from any of the intermediaries, be it retailer, our trade, in terms of distributor or super stockist. Similarly, Papad, which was not impacted, has delivered a 10% growth. Western Snacks, again, in line with the ethnic snacks.

So Western Snacks skipped from 12% to 5%. So that's what was highly anticipated by the state, and there was quite a resistance. At our H1 first half, if we look at, volume growth stands at 9.4%, revenue 14.8%, ethnic snacks at 7.7%, sweets 25% plus, western sacks flat and papad at almost about 8% growth.

Now, if we look at the shift in the large pack and small pack, so if we look at last year, the Ethnic Snacks contributed 65.5%, whereas this has come down to 59.1%, right. And this is primarily on account of ethnic snacks, right? So, if ethnic snacks would have grown, so we would have been in line with what the plan for the erstwhile number will be. So, at the H1 level, if we look at the Ethnic Snacks were at 65.1%. Talking about our market's growth. So, core markets grown at 5.6%. Again, one of the key markets in core, which is Assam got impacted on a few days of market closure that was announced by the government, so complete shutdown. That's a big number. And ethnic sacks, which is huge for core states. And the third was GST that deferment in the purchases in that stuff. Focus markets have grown at 12.3%. Other markets, on the back of modern trade, new age and gifting, sweets grown at 34.8% and export, a whopping growth of 77.3%.

Looking at first half in total, core is at almost about 7% growth, focus stays at 12%, other states close to 32% and exports at 70% plus. Performance-wise, if we look at, we also look at that house small pack, which is INR5 and INR10 and vis-a-vis the large pack. So, family packs with large packs have outperformed with 18.8% growth, and the impulse of the small pack at 3.3% growth. Again, the impulse pack was more impacted in this quarter 2. So, if we look at H1 in total, the impulse pack has grown at 5.7%, family pack has grown at 17.6% growth.

Rishabh Jain:

From the retail lens, this quarter, we have total retail count is around 21. That's mainly due to THF, so THF open, through outlet in this quarter and these are 21 in total number. In next 6 months also, THF has a plan to open 3 to 4 outlets. So, by end of this year, we'll be having close to 25 outlets at a retail level NPA total. And from Bikaji lens also, we opened 1 outlet. There is a plan to open 2 more outlets in the next 4 months. So overall, this number will go at around 27-28.

From a commodity lens, largely commodity was in line, even in edible oil, this quarter 2 was same, as largely quarter 1. We are seeing all the purchase price laminates, it's largely the same as quarter 1. Quarter 3 also, so we are entering into crop season, and we are seeing good crop

coming in of the key pulses like moth dal or peanut. So we're seeing good crop. So we are not seeing major disruption in any of the prices of key commodities.

From the balance sheet lens normally in quarter 2, what we're seeing is that the working capital normally increases, as compared to the first quarter or year-end closing. Normally, Diwali time, inventory is at peak level. Also, debtors are at peak level because normally, we supply majorly in August to modern trade players and normally 30 days' supply period. But also when we see quarter 3 end, it will again come at regular levels.

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

Moderator: Thank you very much. The first question is from the line of Abneesh Roy from Nuvama Institutional Equities. Please go ahead.

Abneesh Roy: Thanks. My first question is on focus states versus others. Now, if I see that the absolute size of the other states is almost similar to the focus states. And the other states are growing almost 3x of the focus states. If you could elaborate on which of these states in the others is growing so fast? Is there any one-off, any specific activation, which has really driven 3x the growth of focus? Because ideally, focus should grow the fastest, right? I'm not able to understand why focus has grown slower than the company's overall number. And in others, is there some state you want to now call it focus because that seems to be doing much better. That is first question.

Manoj Verma: Yes, Abneesh. So let me explain. One is that the number of other states. And if we look at the TAM, other states is almost about 48% of the category business. That's one part. Second is when we take focus, focus is not just from a share of business standpoint. It is also that where we are doing or building our general trade business. So not an opportunistic trade.

Other states, when we say to your question, which states, Maharashtra and Gujarat have done very well for us, and these are large states, in terms of consumption as well. We have grown on the back of a strong modern trade presence in that stuff. So that's the reason. Also, if you look at that, during festive time, so the free gifting is also very, very high in that stuff. So, in the quarters to come, you will see that the other states will slightly slowdown in this.

Abneesh Roy: Understood. And what exactly do you do different in focus state? Is it that a higher percentage of advertising spend and activation spend versus the revenue salience? Is that why you call it focus states? So what is the difference?

Manoj Verma: So, the difference is that in other states, the general trade contribution will be very low versus other channels, so which is new age, which is modern trade, which is institution, right? Whereas focus states, if you look at it, it's primarily general trade itself. So, this is where you are selling at the first target.

Abneesh Roy: Sure. My second question is that the early Diwali has definitely helped Q2 overall volumes and obviously, packaged sweets, et cetera. Now Q3, how are you seeing, given the GST benefit will be there in November, December? Plus, if you could clarify in October month, if there was any

negative impact of the GST transition, would you still expect that in Q3, we should see double-digit volume growth as a company?

Manoj Verma: So certainly, Q3 will be better. One is that the fallout of quarter 2 would get into quarter 3. That's one. Therefore, what we are confident of is that the ethnic snacks, which are now emerging with a 4.6% growth in quarter 2, should be mid-teens or high-teens numbers in quarter 3 itself. So that in itself would be one reflection of how GST would impact, and that stuff. And overall, about half the quarter is almost over, so we see quite a good traction at all levels in this stuff.

Abneesh Roy: And negative impact of Diwali shifting on the sweets business, is the sweets business strong?

Manoj Verma: So sweets certainly will be because it's a seasonal business. So, if it has been impacted, sweets would be a negative impact in quarter 3.

Abneesh Roy: In spite of that, you expect a good double-digit volume growth in Q3, right, on an overall company?

Manoj Verma: No, I spoke about ethnic snacks, which is 70% of our business. But yes, if you look at the overall as company, we certainly will be a double-digit growth in terms of volume.

Abneesh Roy: Sure. Sir, last quick question. In terms of GST biscuit company, you are saying compliance will really improve. In your case, also 12% moves to 5%. So if you could tell us from a competition from local companies, they were earlier not paying too much tax given 5% GST avoidance was there. And in this industry, it's possible. So when this becomes 5%, do you think still avoidance by the local players in terms of taxation will be there? Or do you think now it will be a bit more level playing field in terms of compliance from local players?

Manoj Verma: So, see, you cannot control or ensure compliance from the local players. But yes, the room of play, this from 12%, it comes down to 5%. Therefore, this will be an added advantage to organised and large players. Unorganised would certainly not benefit from this stuff. They will be at a losing end.

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

Nitin: Thank you for taking my question. My first question pertains to; would you like to quantify the impact of destocking and Assam's 4 to 5 days related disruption?

Rishabh Jain: So, it's tough, but what we're seeing from the data is that it seems like it should be between 3% to 5% of the ethnic snacks business.

Nitin: And this will be fully recovered in Q3 with the restocking?

Manoj Verma: See, we would try and ensure to recover it to the core. But honestly speaking, we being a discretionary product. So, if there is an opportunity loss, right, so you cannot make it, but certainly in terms of pipeline billing, everything will go up in that stuff. So, when we talk to Nielsen or the market offtake data, there has been instances, wherein retailers were out of stock

and they did not buy because they were aware of that 24th onwards, they will get a discounted price. So there would certainly be a consumption loss, but I think most of it, we will recover in this quarter.

Nitin: Sure. This is good to know. Second question pertains to like how is our aspiration for second half? So, like with restocking, part restocking in Q3 and I guess the low unit pack higher grammage coming into full play from Q4, do you think for the overall business, we can accelerate growth to high teens in second half?

Manoj Verma: So overall, if you look at the seasonality business, let's say, talking about sweet, so, which was neither impacted adversely or positively either way because earlier also, it was in 5% would continue in 5%. There is a seasonality play. So overall, Diwali, if you look at, yes, sweets has done very well for us. But in this quarter, because of early Diwali, so it will witness a downside on that stuff. But the rest of the business, if you look at 70% of our ethnic snacks and say, 7%, 8% western snacks, this certainly will be on the high teens growth number.

Nitin: Got it. And last question pertains to, would you like to throw some light on the performance of the THF, Ariba and Bikaji retail operations?

Rishabh Jain: Sure. So, from Ariba lens, Ariba is a CMU, working for us. So that's merged into Bikaji Foods. Ariba has worked well for us, as you will see the same from our export numbers, as they have a frozen capability, and that's why, we acquired that in last year. Regarding THF, THF is doing extremely well for us.

So, they have opened close to 14-15 outlets, and 15 outlets to be precise and are doing extremely well for us. Like this October also being Diwali season, they've done extremely good work and getting great response from all consumers. And we see great opportunity in THF in coming years.

And from a retail perspective, Bikaji Retail, so we have an outlet in Sikar. And overall, we have 6, 7 outlets in Bombay, as well as in Sikar. So, we'll open 2 more outlets this year and by next 3, 4 months.

Nitin: And lastly, would you like to highlight like how is the profitability of Ariba where we have seen accelerated export sales?

Rishabh Jain: So, Ariba is largely CMU, and currently, it's underutilised. So, I think in the next 1.5-2 years, it will become profitable.

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

Anand Shah: So firstly, on the margin side, you did highlight that commodities are pretty benign. So to that extent, H2 also, one should expect that these kind of margins, at least on the gross level should be maintained?



- Rishabh Jain:** Yes, that's what we also expect, like without PLI, we have achieved 34% gross margin at consolidated level, and this is the highest in the last 8, 9 quarters. And we also expect the same as we have seen most of the quarters have passed by, like 50% of financial year has already passed by and we have not seen any uptick in any raw material as of now.
- Anand Shah:** Got it. Got it. And my second question is on the western snacks. I mean, you did highlight the GST impact on ethnic. It's a similar impact even on western also this quarter.
- Manoj Verma:** Yes, exactly. So that's what I'm saying, which was flat this quarter, will definitely will move up in the high teens during this quarter.
- Rishabh Jain:** Also, western snacks as a category has not performed well in this year at overall level.
- Anand Shah:** Category is what, sorry, I couldn't hear you. category?
- Manoj Verma:** So overall, western snacks as a category, if you see, has also not done well. So, I mean, not that it is just Bikaji, it's overall also, there's a slowdown. But and this could be an impact of GST, but not alone GST, overall slowdown. But we got impacted and this would be, you will see the upside of swing in this quarter now.
- Anand Shah:** Got it. And yes, I mean, just coming to that western argument, you've been highlighting that you've seen a lot more regional competition in this segment and hence, your performance in western has somewhat been volatile, even though the base is small. So is that scenario sort of behind and now you should grow much better or that category issue still persist?
- Manoj Verma:** No. See, we are very small. So, I think the category lens is not fair stuff to benchmark with because we are a small drop in the ocean. But so therefore, we would continue to grow and as I said, high teens, while category certainly is not in that state to be growing in this space now, to that extent.
- Anand Shah:** And the high teens or slightly higher would be the overall aspiration as well over the next 2, 3 years in western?
- Manoj Verma:** In Western, yes.
- Anand Shah:** Got it. Got it. On a retail lastly, I mean, 21 outlets INR 28 Crores. So what is the ambition here? I mean, H1, you've done about INR 50 Crores. So is this the run rate we should expect? And what would you be sort of gunning for in FY '27?
- Rishabh Jain:** So, largely FY '25-'26, what we see that next 2, 3 years is that retail outlets from 27, 28 can go up to 35, close to 40 in the next 2 years.
- Anand Shah:** Okay. Okay. So, from today, 21, you're looking at 35- 40, maybe by FY '28 end, is it?
- Rishabh Jain:** Yes.



- Anand Shah:** Got it. Got it. And so revenues, I mean, it's been tracking at INR1.5 crores odd roughly, let's say, per store. So that is where it should continue and all, is it?
- Rishabh Jain:** Yes.
- Moderator:** The next question is from the line of Shirish Pardeshi from Motilal Oswal.
- Shirish Pardeshi:** Hi, Manoj, Rishabh, thank you for the opportunity, Manoj, I need some clarification. When I look back your Slide 20, you have shown in quarter 2, our family packs have grown about 19% and impulse has grown 3%. Now, I just want to understand, if I take a cue from the other player, in the small pack, people have increased the grammage on the large pack, they have cut the price. So how this number is looking different for you?
- Manoj Verma:** So, one is that whatever impact has gone up, is post GST will only reflect in quarter 2, right? Secondly, in this quarter, there's a huge contribution from sweets and sweets as the number speaks for themselves. And sweets are all about a family pack. So that's the reason also. Therefore, this share of business is basically by far higher in the family pack.
- Shirish Pardeshi:** Okay. So let me put another way. You mentioned that our other markets are almost 45%, 46%. And if you see the new markets, I would tend to believe that it will start with the small packs and not with the family packs. In that context, again, this number doesn't add up.
- Manoj Verma:** No. So, Shirish, let me clarify that even in our focus or other markets, wherever we are. So family pack is what we've been selling for many years, and they are still strong there. It is that, let's say, for example, if I talk about UP, which is the largest consumption state. So there, our share in large pack is by far higher than the small pack. I mean if we look at it in terms of the market share, we would be the second highest in terms of market share in UP. But when you look at small pack, we are very, very weak, and that's where is the opportunity. So, the play of the family pack is there in focus, and other markets also.
- Shirish Pardeshi:** Okay. So let me ask and try a little more. If the overall volume is 10.8% for the quarter, can you split the packaged sweet volume and ethnic snacks, which are the core?
- Rishabh Jain:** So, Shirish, so largely our ethnic snacks overall category has grown close to 4.6%, and we have taken a 3%- 3.5% price. So, this ethnic snack category is growing around 1%- 1.5%.
- Manoj Verma:** In terms of volume.
- Rishabh Jain:** Volume.
- Shirish Pardeshi:** And packaged sweets would have been higher by 20%?
- Rishabh Jain:** Yes, of course, close to the upper 20%.
- Shirish Pardeshi:** Okay. So that means western snacks, which you have reported a decline of 5.2%, the volume decline would be much higher and sharper?

- Rishabh Jain:** So, volume decline, this should be close to 2.5%, 3% because we took price rise.
- Shirish Pardeshi:** The other thing which I wanted to say, I mean, obviously, you guys are doing in and out. Do you think quarter by now, which is past 45 days, the GST disruption is now settled and the trade will have the revised price or revised grammage, which is available?
- Rishabh Jain:** Yes, of course. So that's what we have seen in the last 40-45 days, we have seen again, good demand coming in from across all markets, not just from the core, but from all markets. And for us in ethnic snacks, we are doing the same production as it was in the Diwali season or non-Diwali in the first half. So, we are seeing a good uptick in all the ethnic snacks business.
- Shirish Pardeshi:** Okay. And last question to Manoj. With the GST revision, which has happened, I mean, which in the beginning, the participants were asking that it's a level playing field, but do you actually see on the ground the local players are adjusting to the revised GST norms or the competition has really gone up because discounting is one of the things which is perennially visible for the unorganized player?
- Manoj Verma:** So yes, the local players play strongly, which earlier was as well. But I think at this point in time, wherein the resistance was more on the organized or the large players, which are reaping the benefit of whatever they lost, in the transition from the old GST to the new GST. I think, Shirish, it's too early to comment. But certainly, the room which they had earlier of, say, 12%, now has come down to 5%. So it's reduced by 7%, which should adversely impact these local players.
- Moderator:** The next question is from the line of Abhishek Mathur from Systematix.
- Abhishek Mathur:** Hie sir, thank you for the opportunity. Just wanted to check on our distribution reach, you have indicated that we would be reaching to a number close to 3.5 Lakhs by the end of the current financial year. But just looking a bit far ahead over the next maybe 2 to 3 years, what could be the reach that we are targeting? Do you have a number in mind here? And what would be the regions, where we would be looking to expand this reach?
- Manoj Verma:** So, the numbers what we have for next 3 years, if you look at, so we intend to reach to 5 Lakh outlets as our direct coverage. So if we break down by year, it is adding 50,000 outlets year-on-year. Now the growth, the number addition would come across, except for other states, so primarily, in the core states and in the focus states. So, in core states, focus would be to go down to pop strata whereas in the focus state, it would be, say, primarily urban and rural say 10,000-plus kind of stuff. So that's the where to play what we have identified for instance.
- Abhishek Mathur:** Right. Very clear, sir. And also, I just wanted to check in terms of our more mature stores or maybe the stores which are more than 1 to 2 years old, not the new ones. In terms of the throughput per outlet, what are the trends that we are seeing? Is it fairly stable? Or is there a decline or a slight appreciation that we are seeing over the past 1 year or so in terms of throughput per mature stores or old outlets?
- Manoj Verma:** So, if we look at, we break the growth into, say, organic or inorganic. And when I say inorganic, it's by reaching to new stores. So about 80% of the business is coming from the mature store or

where we already working. And the 20% is the growth which is coming from inorganic growth kind of stuff. So stores which are less than a 1-year-old are kind of ones.

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

Darshit Vora: Hello. My questions have been answered. And congrats on the performance.

Manoj Verma: Thank you so much.

Moderator: The next question is from the line of Priyank from Vallum Capital.

Priyank: Hie, I had a question on the innovation side. A call out on the numbers for the innovation that we would have done over the last 1- 2 years? Would you want to call out certain innovations like you called out millet bhujia last quarter? What would be the contribution coming-up from such innovations that you would have developed over 1, 2 years in the total revenue?

Manoj Verma: So, the contribution from NPDs, what we call, is about 2% to 2.5% in our overall revenue. That's what it is. Millet, what you just spoke about. I mean, it's very, very small and in a very nascent stage. But I think this will start adding value or numbers to our overall number, maybe in 12 months' time from now.

So, besides millet, what we also added was some variance of Falahari mixtures and all that stuff, which we felt and the research team figured out that there's a huge demand because snackery during fasting time is also picking up. And that's where, we have launched a couple of SKUs there, variants there. Similarly, like paneer bhujia, what we added.

So while we were leaders in the Bikaneri Bhujia, we added a variant of paneer bhujia, which is doing extremely well for us and is our NPD for us. So that it's an ongoing cycle. So there are lots of products in the funnel. And as they get clearance from, say, finance, in terms of there should not be EBITDA or gross margin erosion, they have to add value.

So as they get clearance, as it get tested in certain markets, and that's how we launch. So it's an ongoing cycle. Numbers, what we look at in our, say, budgeting AOP, annual operating plan standpoint, we look at about 2% to 3% should come from NPDs.

Priyank: And in this 2% to 3%, paneer bhujia that you would have developed would be contributing the largest one.

Manoj Verma: Paneer bhujia would be one of the largest in recent times.

Priyank: Understood. On the impulse pack, sir, you did mention about the higher discounting coming up from the unorganized players in the last quarter. And then that's visible even in this quarter. So what would be the strategy? I mean, I do find you also starting a promo on the INR5, INR10 pack. Why would we think of even being aggressive or being present in impulse. In fact, the family packs are highly profitable for us. So, going ahead, why would we even be present in an impulse pack? Just a thought, help me building on this.

- Manoj Verma:** So, unfortunately, one cannot choose to refrain now from the impulse pack because if you look at the category size, 70% of the business comes from INR5 and INR10 pack. So, this is just, it's not a choice to keep away. However, we always have upweighted our focus on the large pack, and that's what is one of the reasons why our family pack contribution is better off, much high and which also translates or reflect in our EBITDA margins vis-à-vis if you compare with the companies which are primarily operating in the small packs. But to get a numeric distribution to reach small pack is equally important.
- Priyank:** Got it. And one last thing on the distribution side, the indirect reach outlets, which is 12.5 Lakhs. When I have to map this ratio to the direct reach, certainly, the direct reach, of course, is growing. Should we consider that the indirect reach will also increase at the rate of direct reach, how it should be? I mean is the direct reach outlets part of the indirect or not?
- Manoj Verma:** Indirect is overall where Bikaji stocks are present. And this stock would be present through a store room that we are directly supplying. So, this will be a subset of that stuff, only direct reach.
- Priyank:** So the important part would be the indirect reach, which is inclusive of direct, right? The total indirect reach that you would target, right?
- Manoj Verma:** So, let me explain it in another way, that indirect reach or overall reach is what the company cannot control. It will move that if I sell to a big outlet or wholesaler, who in turn service or some small retailers come to him 100 small retailers come, buy from him. So, I will reach to 100 outlets, if my stocks are sold well from that one store.
- So, I will say that my direct reach is 1, and 100 is my overall reach. That's the difference. So your direct reach will build your indirect reach. That's what the approach is or the way companies operate. Now, what happens is that there is a diminishing return.
- So, let's say, if I keep adding outlets, so today, if you look at, say, assuming, say, 3 Lakh versus 12 Lakhs. So that is 4x kind of a ratio here. Now, it does not mean that if I do 6 Lakhs outlet directly, so my reach will become 24 Lakh outlets, because what will happen is that certain outlets that were buying from a wholesaler or say, Metro cash and carry, were earlier also selling Bikaji, but if I start going to him, so this will not add to my overall number. So, the number would, but my quality of service, my sales and throughput will start going up. This is how it works.
- Priyank:** Very clear. I understood now. And within the direct deals, how many of them, what percentage would be exclusive Bikaji?
- Manoj Verma:** So, there's nothing called it. So any retailer, wholesaler will be selling all products or different categories, different companies also. So, there's nothing called that only store for Bikaji kind of a thing.
- Priyank:** And just on the numbers, direct distributor, super stockist and depot, if you can just give out how many of that are direct distributors, super stockists and depots?

- Manoj Verma:** So, we will separately come back to you on this number. So maybe I'll not have exact number handy.
- Moderator:** The next question is from the line of Ishant Lalwani from Ashika Institutional Equity.
- Ishant Lalwani:** Thankyou Sir. Sir, you mentioned that we have achieved around 52% capacity utilization. Can we expect to reach the earlier guided level of 70% utilization over the next 2 to 4 years?
- Rishabh Jain:** Yes, that's the target. And that's why we invested in the capacity that we want to achieve 70%, 75%. And we have, like, we grow our volume by 10%, 12% year-on-year, these numbers will become 70%, 72% in the next 3, 4 years.
- Ishant Lalwani:** Okay. And on the realization part, what is the current trend evolving over the next couple of quarters on realization?
- Rishabh Jain:** Realization?
- Ishant Lalwani:** Realization.
- Rishabh Jain:** So, from the next 2 quarters lens, we see overall ethnic snacks, which is our core, we want to grow this at close to 15%, 16% and that's the target that we're taking on.
- Moderator:** The next question is from the line of Harpreet Kaur from Global Consilient Research.
- Harpreet Kaur:** Thank you for the opportunity. My question is regarding the impulse packs and western snacks categories. In the last quarter, you had hinted at an improvement in these categories Q2 onwards. And we have seen the contribution of impulse categories falling from 40% to 33%. And you had also talked about upgrading the INR5 and INR10 value products. So, I would love to hear your standing in this category.
- Manoj Verma:** So, see, if you look at this quarter's share of business, so this, on the back of huge sweet gifting, gift boxes contribution, the contribution of family pack has gone high, which you will see that in the subsequent quarter, it will not be as much. It will come down. That's one. Second is that while the focus is on or we want to drive the small pack as well, but we continue to keep our eyes on or as much focus on the large pack as well.
- Because they are highly salient in the modern trade in, say, q-com, e-com, the other platforms kind of a stuff. That's what it is. Yes, it got impacted much on this, the GST stuff change because there was a disruption of about 15 to 20 days in that stuff, which you will see that in this quarter 3, there will be a pleasant surprise, in terms of the numbers, what you'll see on the western snacks as well.
- Harpreet Kaur:** So, are you looking at the fact that, like you all are not currently eyeing upgrading of the INR10 and INR5 value products?
- Manoj Verma:** No, no. So that's, see, that's the evolution curve. Now what happens is that INR5, INR10 becomes a recruiter pack. And then if you like my product, if you want to use it at home, all that

stuff, so it starts upgrading. So, it will be a never-ending kind of stuff. It's an ongoing stuff. We would want that an INR10 consumer should move to INR20 and so on. That's how and at the same time, would want to recruit new consumers or let's say, someone eating competition or a local unorganized stuff should try, which is the trial pack would be INR5 and INR10. So that's how this circle will keep moving.

Moderator: The next question is from the line of Rupali, an individual investor.

Rupali: Good afternoon, everyone. My question is about the Joint Venture with CG Group of Nepal. Can you throw some light on what percentage of market share you are targeting for the next 3 to 5 years in Nepal?

Manoj Verma: See, let me take this question in 2 parts. One is that it's in a very nascent stage, we have just got approval to sign JV, and it will take almost close to a year or a little over a year to get that production from the JV, which is Bikaji CG stuff. What we are looking at it is that we certainly should be amongst top 3 players in that stuff and coming to a high single-digit market share in that in the next 3 years' time. That's what we are looking at.

Rupali: Okay. And which products are you targeting over there, like ethnic snacks or western snacks as well?

Manoj Verma: So this would be primarily ethnic snacks.

Rupali: Okay. So bhujia would be a major product?

Manoj Verma: Bhujia of course, because that kind of product is, flagship product. So that certainly would be on the high. But not just bhujia, we'll have a variety of products under Namkeen, which we'll be selling there. Even today, we do sell. But I think as we produce there, our ability to compete with the other players there will be by far high, and we'll invest behind our distribution model so it increased reach and the sweets would get us these numbers and shares.

Rupali: Okay. So, manufacturing has already started over there?

Manoj Verma: Ma'am, that's what I said, it will take 1 year. So, we have just got boards' nod to sign the JV recently, right? So now the factory commissioning would take years. That's when we'll start production. Till then, and for many, many years, we have been supplying from India itself.

Rupali: Right. Got it. And could you throw some light on the traction of the millet bhujia recently launched?

Manoj Verma: So, see, it's a very niche product. So, it will be too early to talk about what it is. But yes, the feedback from a few of the consumers and our research team, they keep taking feedback. So, it is coming positive, but certainly, it's not a mass product kind of thing that everyone will have it.

So maybe after 3 months, we'll have the right number or right projections to make. But it's a good product liked by many. It will not be a very high-value contribution to the overall business.



But yes, this is an offering for select consumers, who are more health-conscious. I mean, this product serves them.

Rupali: So are there more products in this line or...

Manoj Verma: So, there are series of products. So, we have, say, roasted products, which are lesser unhealthy or normally it's been said as healthy products. So, we have a series of roasted range, which is there for now, I think, almost about 2 years now. And the contribution of these products to our overall business is less than a percentage.

And rightfully so because we are a company which is highly distributed, I mean, so a product which is selling it over 12 Lakh outlets. Now this is INR5 and INR10 huge contribution within snackery, if you look at. And these products, when we say the healthy products or less unhealthy stuff, are not in INR5 and INR10, they are large packs only. And therefore, there's a limitation of making it available. So coming to your question, there are lots of products, many products. Millet is one of the new additions in that.

Moderator: 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, everyone, for taking the time out. It was a pleasure talking to you all. And I think we could answer your questions. We'll be glad to take any further questions, clarification if you wish to seek, you can reach out to us. Until then, thank you. Thanks for your support.

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