

Bikaji Foods Looking to Raise ₹1,000 cr Via IPO at \$1-b Valuation

What's on Platter?

Proposal could largely involve an OFS by existing shareholders

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Co's sales volume grew 13.85% annually to 74.7 m kg between FY16 and FY20

Revenue grew 14.2% to ₹1,073 cr in the same period

Indian RTE snacks market expected to grow at 8.9% CAGR between 2021 & 2025

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Mumbai: Bikaji Foods International, India's largest manufacturer of ethnic savouries and sweets, is likely to file its draft red herring prospectus (DHRP) this week to raise ₹1,000 crore in an initial public offer at a valuation of around \$1 billion, a person aware of the company's plans told ET.

The Rajasthan-based, ready-to-eat (RTE) products maker has appointed JM Financial, IIFL Securities and Intensive as its bankers to the issue.

The proposal could largely involve an offer for sale (OFS) by the existing shareholders.

An email sent to Bikaji Foods International did not elicit any response. Individual merchant bankers could not be reached immediately.

Private equity companies such as Lighthouse Funds, IIFL, Avendus and Axis have invested in Bikaji. In 2012, Lighthouse acquired 12% in the company and partially trimmed its stake to allow IIFL to invest in Bikaji.

Avendus and Axis took a 1% stake each in 2019, according to the company's annual report of FY20. This PE in-

vestment helped the company to become debt-free.

Bikaji has six manufacturing facilities located in Rajasthan, Assam and Karnataka to make more than 400 tonnes per day of snacks. It makes around 300 products covering a wide range of bhujia, namkeen, sweets, papad and frozen foods. The sales volume of Bikaji grew 13.85% annually to 74.7 million kilograms between FY16 and FY20, while revenue grew 14.2% to ₹1,073 crore in the same period.

Namkeen accounts for 37% of sales, followed by 32% for Bhujia, 14% for sweets, 10% papad and the balance by others. The Indian RTE snacks market is expected to grow at a compounded annual growth rate of 8.9% between 2021 and 2025, according to Statista.

The growth of RTE snacks is driven by easy availability, longer shelf life, rising urbanisation and increasing disposable incomes.

The company plans to open more facilities at strategic locations in the next few years and launch new brands across different categories, according to information on its website.

Promoters Shiv Ratan Agarwal and Deepak Agarwal held 78.8% at the end of FY20.