

Lighthouse-backed Bikaji Foods files draft papers for ₹1,000 crore public offering

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NEW DELHI

Bikaji Foods International Ltd on Wednesday filed a draft red herring prospectus (DRHP) to raise ₹1,000 crore through an initial public offering (IPO). The IPO would be valued at \$1 billion (₹7,500 crore), said a person close to the company, which is backed by Lighthouse Funds.

The IPO, which comprises an offer-for-sale (OFS) of up to 29.37 million shares by the promoters and existing shareholders, includes a

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reservation for subscription by eligible employees. Promoters Shiv Ratan Agarwal and Deepak Agarwal will sell up to 2.5 million shares, while India 2020 Maharaja Ltd is expected to sell up to 12.11 million shares. IIFL is expected to sell up to 10.99 million shares through five of its funds and Avendus Future Leaders Fund-1 will sell up to 1.22 million shares as part of the offering.

While the promoter group of the company holds 77.94%



Bikaji is one of India's leading packaged consumer goods maker. HT

stake in the company, other financial investors like IIFL (through five of its funds) cumulatively hold 7.35% stake,

India 2020 Maharaja holds 7.28% stake, Lighthouse Funds own 2.7% and Axis New Opportunities hold 2.42% stake in the company.

Bikaji is one of India's leading packaged consumer goods maker, which sells snacks and sweets, according to a Frost and Sullivan report. Its offer-

ings include Bikaneri bhujia, soan papdi, packaged rasgulla, and gulab jamun. The Bikaji brand was launched by Shiv

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Ratan Agarwal in 1993. The company has operations in 22 states and three Union territories as of 30 September 2021 and is also exporting its products to 35 countries, which accounts

for 4.6% of its food product sales.

Bikaji has six operating manufacturing facilities that

are located in Bikaner (Rajasthan), Guwahati (Assam), and Tumakuru (Karnataka), a contract manufacturing unit in Kolkata (West Bengal) and a small facility in Mumbai. It intends to operationalise five more manufacturing facilities.

The firm's operating revenues grew 22% to ₹1,311 crore in FY21 from ₹1,075 crore in FY20 and net profits by more than 60% from ₹56.4 crore in FY20 to ₹90.3 crore in FY21. The company has reported net profits of ₹40.9 crore against operating revenues of ₹771.7 crore during the six months ended September 2021.

JM Financial Limited, Axis Capital Limited, IIFL Securities Limited, Intensive Fiscal Services Private Limited, and Kotak Mahindra Capital Company Ltd are the book running lead managers to the issue.

Khaitan & Co. is the legal counsel to the company, while J. Sagar Associates and Hogan Lovells Lee & Lee are the legal counsels to the book running lead managers, and Jerome Merchant, Partners, the legal advisor to the selling shareholders.