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Consumer - Processed Foods

Bites of growth: India's packaged food uprising!

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Content - Bites of growth: India’s packaged food uprising!

Post-Covid, the packaged food sector has sustained high single-digit growth, propelled by rising incomes, evolving lifestyles, increased health awareness, and enhanced distribution, including e-commerce.

We favor the savory snacks segment over biscuits, given its stronger formalization potential and alignment with evolving consumer preferences shifting towards nutritious, convenient, and tasty snacking options. The segment benefits from trends like protein enrichment, clean-label ingredients, and regional flavor innovation, making it a key growth driver.

Companies

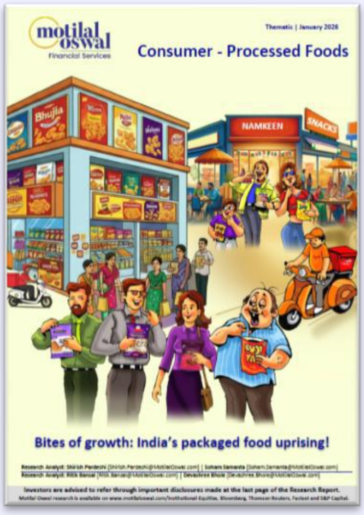
PRATAAP SNACKS

MRS BECTORS FOOD SPECIALITIES

COMPANY UPDATE

Unlisted Companies

Consumer - Processed Foods

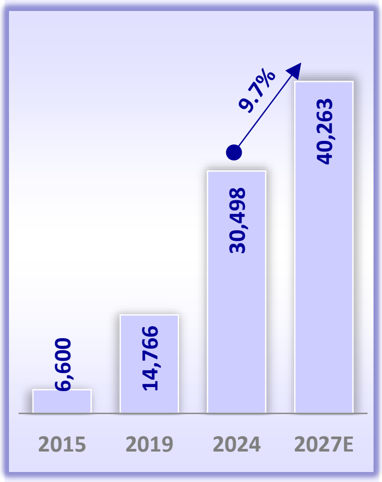


Bites of growth: India's packaged food uprising!

Initiate coverage on Bikaji Foods, Gopal Snacks and Prataap Snacks, with a BUY rating, and Mrs. Bectors Food Specialities with a Neutral rating

- **The food & food processing sector in India, valued at INR86.8t in FY24, is projected to grow to INR109.6t by FY27. The food processing industry, which constitutes ~35% of the total food sector, is expected to clock ~9.7% CAGR over FY24–27. Within this sector, packaged foods make up ~30-32% of the industry. The packaged food market is expected to record a CAGR of ~11%, which consist of staples (37%), other packaged food (35%), dairy (20%), beverages (6%), and meat (2%).**
- **The 'other packaged food' market in India is estimated at INR3.6t in FY24 and is projected to grow to INR6.3t by FY29, indicating a CAGR of ~11.6%, driven by savory snacks, biscuits, confectionery, & ready-to-eat.**
- **This rapid expansion is fueled by lifestyle changes, urbanization, the growth of nuclear families, and increased participation of working women, all of which are driving higher packaged food consumption. Despite this robust growth, the sector remains predominantly unorganized, accounting for around 80% of the market in FY24, thus offering substantial opportunities for organized players to capture market share.**
- **Within the 'other packaged food' segment, savory snacks (21%) and biscuits & bakery (17%) represent the largest categories. According to MOFSL analysis, savory snacks and biscuits are expected to clock a CAGR of ~9% and ~7%, respectively, over FY25–29. The organized market accounts for ~58% of the savory snacks category and ~95% of the biscuits category. Biscuits, which were largely unorganized in the early 2000s, have experienced significant formalization over the past two decades through brand expansion and improved distribution networks. A similar formalization trend is anticipated in the savory snacks, which offers greater potential for organized players.**

Food processing market (INR b)



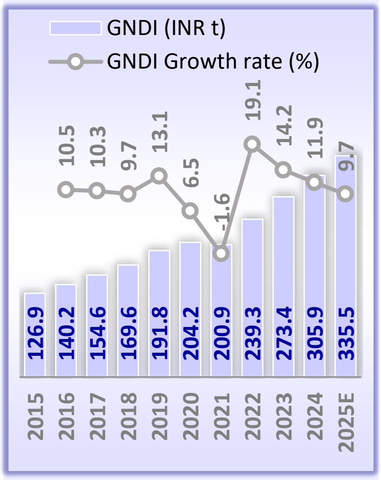
Initiate coverage on BFL (BUY; TP 900), GSL (BUY; TP 400), PSL (BUY; TP 1,500), and MBFSL (NEUTRAL, TP 280)

- Bikaji Foods International (BFL) is well-positioned for robust growth to gain market share, supported by an expanding direct distribution network. We initiate coverage on BFL with a BUY rating and a DCF-based TP of INR900, implying a P/E multiple of 55x on FY28E earnings.
- Gopal Snacks (GSL) has charted out its growth plan driven by product diversification beyond Gathiya, distribution network expansion, and recovery in core market demand. We initiate coverage on GSL with a BUY rating and a DCF-based TP of INR400, implying a P/E multiple of 40x on FY28E earnings.
- Prataap Snacks (PSL) is poised for a strong turnaround, supported by plant consolidation, automation, and enhancements in its distribution model, which should significantly lift margins. We initiate coverage on PSL with a BUY rating and a DCF-based TP of INR1,500, implying a P/E multiple of 45x on FY28E earnings.
- Mrs. Bectors Food Specialities (MBFSL) aims to expand its market share beyond upper North region through innovation and expansion, although its current valuation appears high. We initiate coverage on MBFSL with a NEUTRAL rating and a DCF-based TP of INR280, implying a P/E multiple of 34x on FY28E earnings.

Valuation matrix

	Rating	Upside (%)	P/E (x)		
			FY26E	FY27E	FY28E
BFL	BUY	22	78.9	60.2	45.4
GSL	BUY	25	70.8	48.8	31.9
PSL	BUY	25	152.6	63.7	35.9
MBFSL	NEUTRAL	13	49.9	38.0	30.2

Disposable income (GNDI) - (FY)



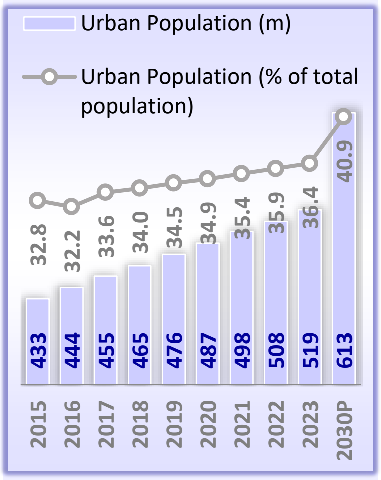
Rising disposable income and dual-income households drive demand

Rising disposable incomes and fast-growing dual-earner households are driving increased demand for packaged foods. With growing aspirations, global exposure, and growing per capita income, consumer preferences are shifting from the basic necessities to lifestyle-oriented healthy snacking categories. The influence of social media and digital platforms is accelerating premiumization and low-carb/calorie food purchases, a trend most pronounced among urban and younger consumers.

Rapid urbanization, lifestyle shifts, and rising brand awareness

India's rapid urbanization, with the urban population expected to reach ~613m (41%) by 2030, is fundamentally reshaping consumption patterns. Factors such as increased migration, growth of nuclear families, and time-constrained working youth are driving higher demand for packaged foods. Simultaneously, expanding digital exposure is boosting consumer familiarity and preference for branded packaged foods.

Urban population, % of total population (CY)



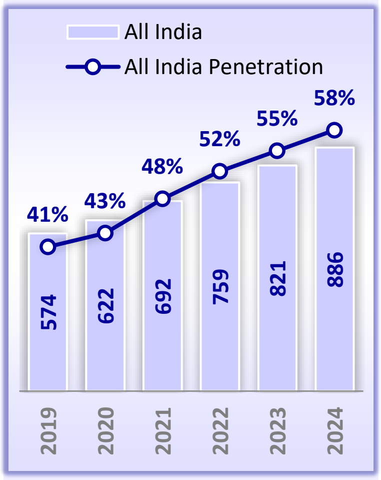
New channels of convenience and expansion beyond metros

E-commerce and quick commerce are revolutionizing India's packaged food sector, with platforms such as Zepto, Blinkit, and Instamart enhancing convenience through rapid delivery. With internet penetration expected to exceed 1b users by 2030, this digital momentum is poised to accelerate further. Concurrently, FMCG companies are aggressively expanding into Tier 2 and Tier 3 cities, broadening distribution networks, and accessing previously undiscovered markets.

Increased expenses on branding & product innovation

Post-pandemic, companies have significantly increased spending on advertising and promotion, product innovation, and portfolio diversification across categories such as snacks, beverages, and ready-to-eat meals. Enhanced packaging, an expanded portfolio, and targeted marketing campaigns have heightened consumer awareness and trial rates, fueling growth momentum. Furthermore, strong brand recall and customer loyalty have enabled premium players to command higher pricing.

Rising internet penetration in India (users in m)



Rising demand shifts towards healthier packaged food

The recent pandemic has altered consumer preferences, which have experienced a marked shift towards healthier and more hygienic packaged food options. Packaged foods, viewed as safer due to controlled processing, standardized packaging, and transparent labeling, are increasingly favored over loose or unbranded alternatives. The trend is expected to persist, with health-conscious and safety-driven choices continuing to shape purchasing decisions across urban and semi-urban markets.

Initiating coverage on the packaged food companies

- **We initiate coverage with BUY ratings on BFL, PSL, and GSL, while assigning a Neutral rating to MBFSL.**
- **BFL** is strategically placed for robust growth and market share gains, driven by expanded direct reach, improved capacity utilization, enhanced brand visibility, and diversification of its product portfolio. We forecast a revenue, EBITDA, and APAT (Ex-PLI) CAGR of 15%, 29%, and 39%, respectively, over FY25-28. **We**

TP of 900 (+22%)

TP of 400 (+25%)

TP of 1,500 (+25%)

TP of 280 (+13%)

initiate coverage on BFL with a BUY rating and a DCF-based TP of INR900, implying a P/E multiple of 55x on FY28E earnings.

- **GSL** is likely to deliver strong revenue growth driven by product diversification beyond Gathiya. However, focused distribution expansion in key markets and a recovery in demand from core markets need to be monitored. We project a revenue, EBITDA, and APAT CAGR of 12%, 23%, and 23%, respectively, over FY25-28. **We initiate coverage on GSL with a BUY rating and a DCF-based TP of INR400, implying a P/E multiple of 40x on FY28E earnings.**
- **PSL** has experienced a phase of underperformance; however, we anticipate a strong turnaround driven by 1) plant consolidation and automation to enhance cost efficiency and 2) strategic improvements in the distribution model to optimize channel margins and expand market reach. We project a revenue and EBITDA CAGR of 11% and 57%, respectively, over FY25-28. **We initiate coverage on PSL with a BUY rating and a DCF-based TP of INR1,500, implying a P/E multiple of 45x on FY28E earnings.**
- **MBFSL** is one of the leading players in India's premium biscuit market, with a 64% domestic portfolio and 36% international. We expect its revenue, EBITDA, and APAT to clock a CAGR of 13%, 17%, and 21%, respectively, over FY25-28, although its valuation appears elevated. **We initiate coverage on MBFSL with a NEUTRAL rating and a DCF-based TP of INR280, implying a P/E multiple of 34x on FY28E earnings.** This represents ~30% discount to BRIT, reflecting its high export dependence, which accounts for around 36% of sales.
- **Key risks:** 1) Weak macroeconomic conditions may dampen consumer spending, 2) volatility in raw materials affecting costs and margins, 3) intensifying competition from both organized and unorganized players, and 4) price wars and competitive pressure may adversely impact profitability.

Relative valuation comparison of consumer - processed foods companies

Companies	Mcap (INR b)	CMP (INR)	TP (INR)	Upside (%)	Rating	EPS (INR)			P/E (x)			EV/EBITDA (x)			RoE (%)		
						FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Bikaji Foods	183	736	900	22	BUY	9.3	12.2	16.2	78.9	60.2	45.4	42.4	35.3	31.7	15.6	17.5	19.9
Gopal Snacks	39	319	400	25	BUY	4.5	6.5	10.0	70.8	48.8	31.9	36.9	27.9	20.0	13.1	16.9	22.3
Prataap Snacks	28	1201	1500	25	BUY	7.9	18.8	33.4	152.6	63.7	35.9	30.8	21.3	15.0	2.7	6.2	10.1
Mrs Bectors	84	248	280	13	NEUTRAL	5.0	6.5	8.2	49.9	38.0	30.2	27.4	22.4	18.7	12.5	14.8	16.5

Source: MOFSL

STORY IN CHARTS

Packaged Food: Growth drivers

01 Rising disposable income and dual-earner households

02 Urbanization and time-constrained lifestyles

03 Increased brand awareness through digital exposure

04 Growing consumer traffic on e-commerce and quick commerce

05 Market expansion in Tier 2 and Tier 3 cities

06 Wellness on the go: The surge of healthy snacking in India

Bikaji: Scaling tradition, Delivering growth

1 Strong emphasis on ethnic snacks, sweets, and papad

2 Leveraging strategic alliances and acquisitions

3 Focusing on pan-India market share expansion

4 Strategic capacity expansion to support demand growth

5 Leveraging branding strategy for market leadership

Gopal Snacks: From Rajkot kitchen to pan-India presence!

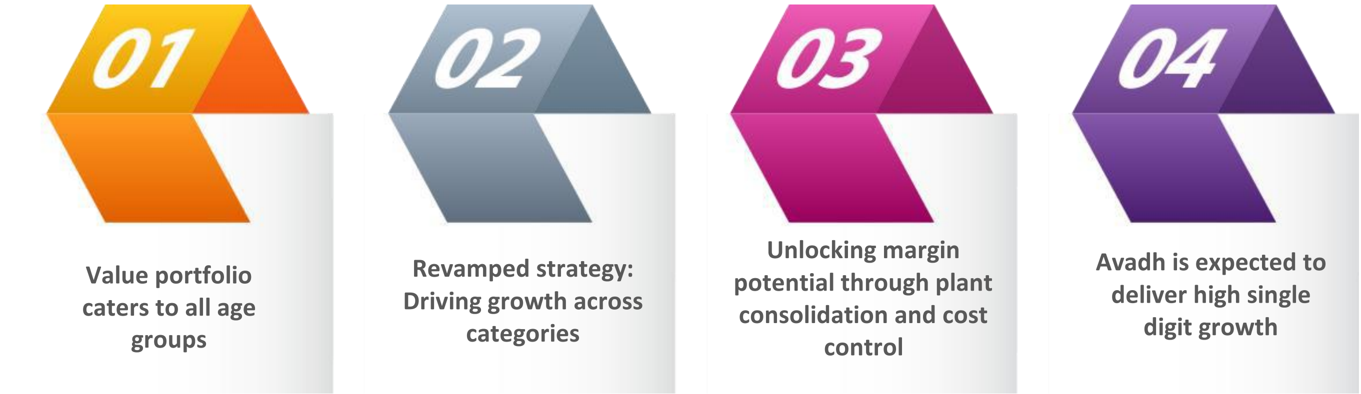
1 Diversified portfolio – From tradition to Innovation

2 Backward Integration coupled with owned vehicle helped to control cost

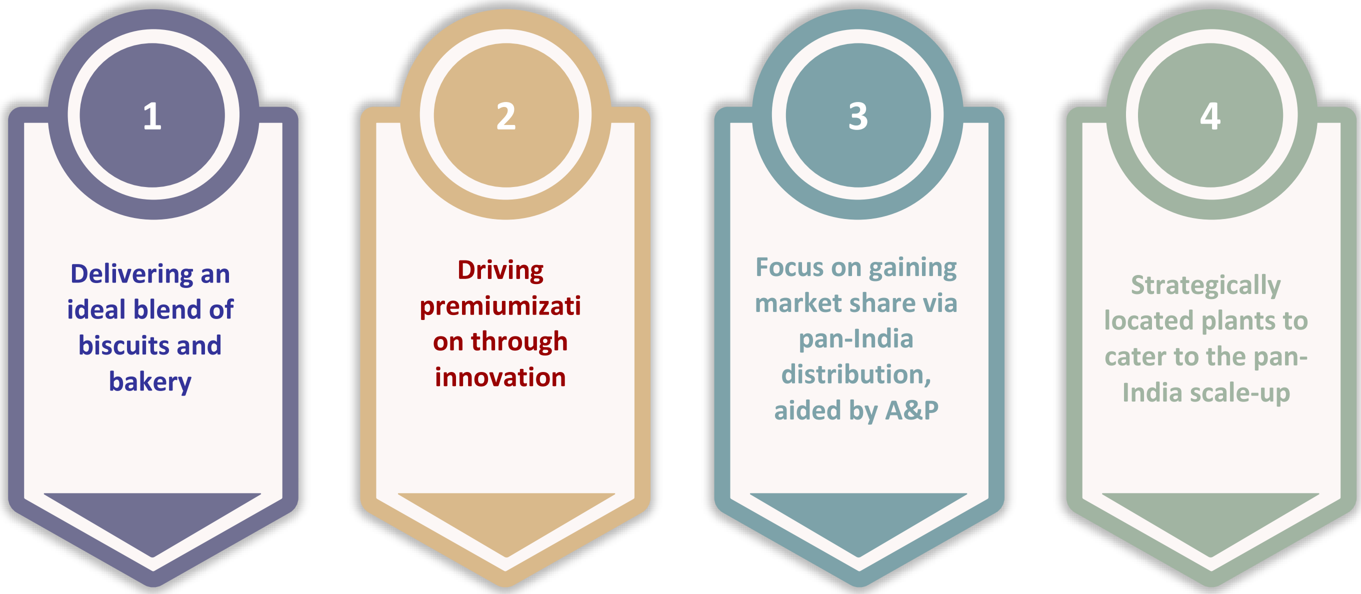
3 Strategic manufacturing capacity addition to fuel growth

4 Powering growth through distribution excellence

Prataap Snacks: Operating efficiency & demand recovery drive growth

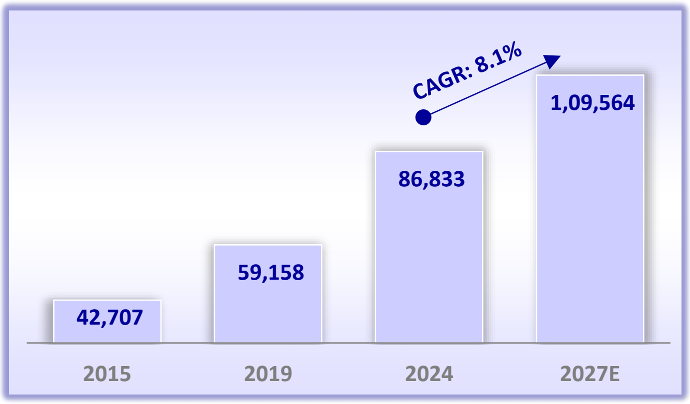


Mrs Bectors Food Specialities: Focused on premiumization though valuation pricey

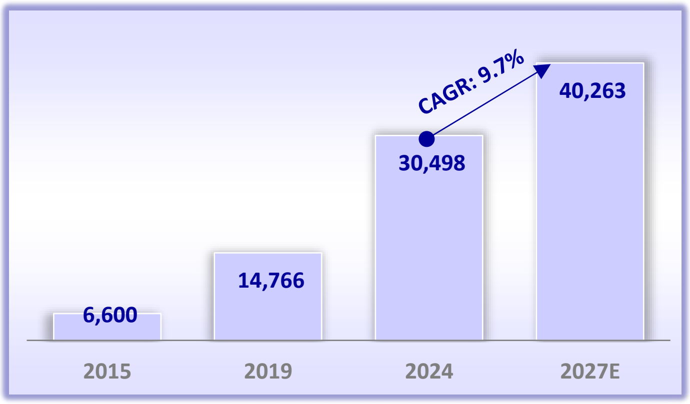


STORY IN CHARTS

Food and food processing market (INR b)



Food processing market (INR b)

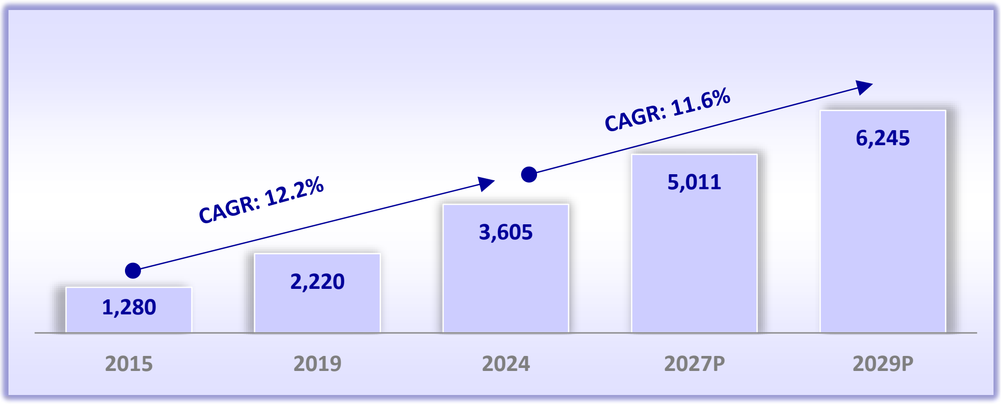


Packaged food market in India (INR b)

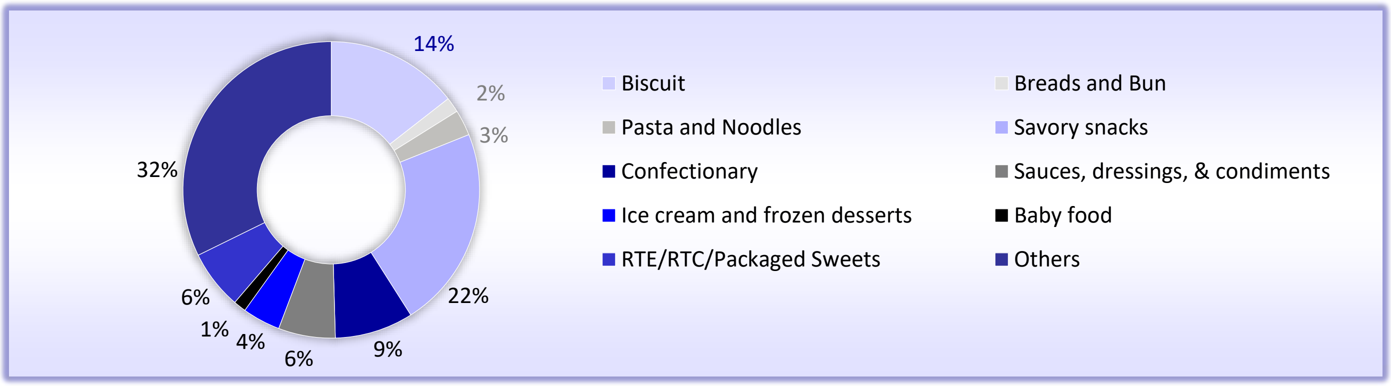
Category	2015	2019	2024	2027P	2029P	CAGR (%) 2015-2024	CAGR (%) 2019-2024	CAGR (%) 2024-2029
Packaged Staples	1,510	2,250	3,755	5,025	6,080	10.7	10.9	10.2
Other Packaged Food	1,280	2,220	3,605	5,011	6,245	12.2	10.2	11.6
Packaged Dairy (Fresh)	550	1,100	2,005	2,742	3,380	15.5	12.8	11.0
Packaged Beverages	300	390	620	876	1,100	8.4	9.7	12.2
Packaged Meat	120	140	195	260	315	5.5	6.9	10.1
Indian Packaged Food Market	**3,760**	**6,100**	**10,180**	**13,914**	**17,120**	**11.7**	**10.8**	**11.0**

In other packaged food markets, savory (20.7%) and biscuits and bakery (16.9%) are the largest categories, as of FY24.

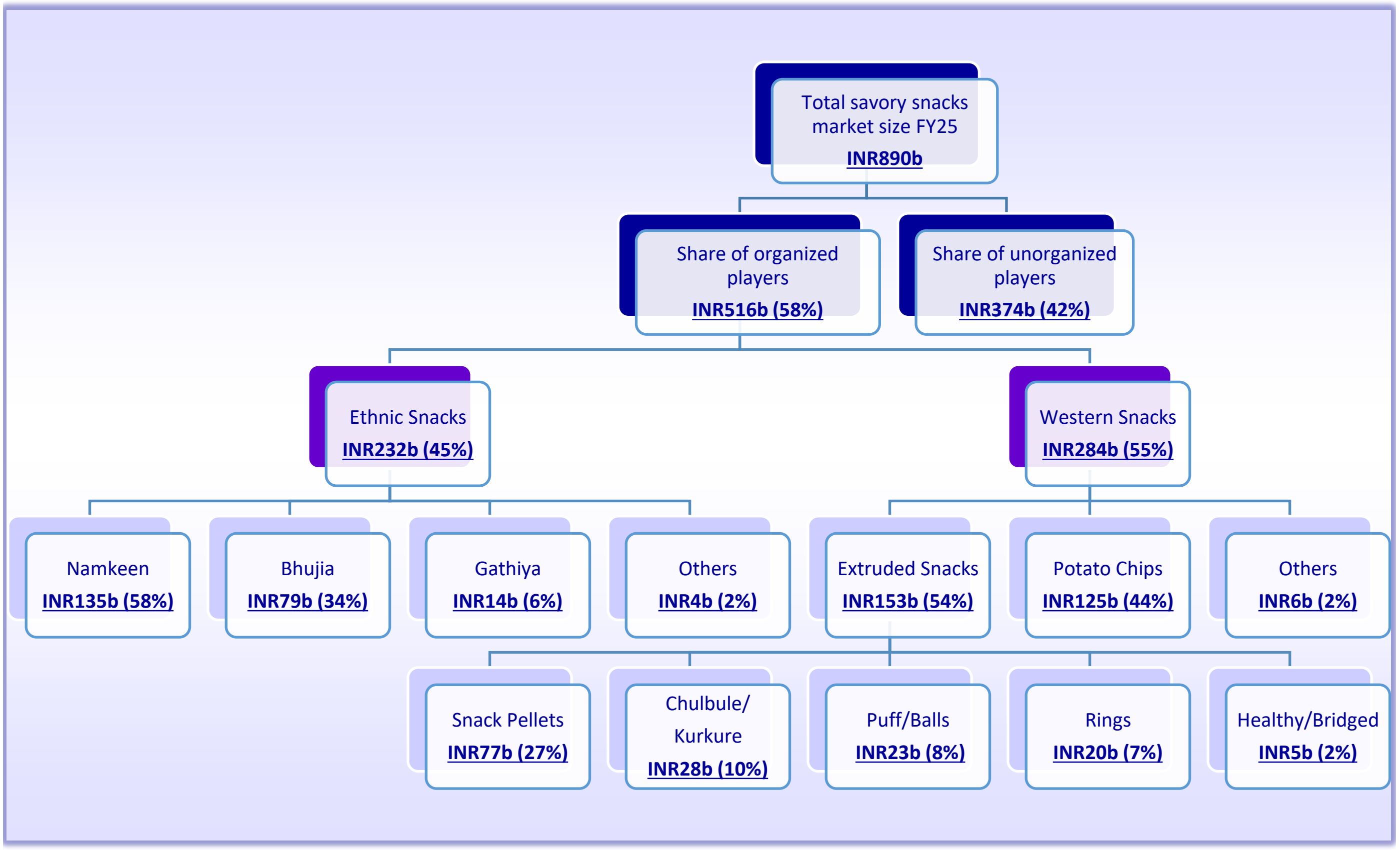
Other packaged food market in India (INR b)



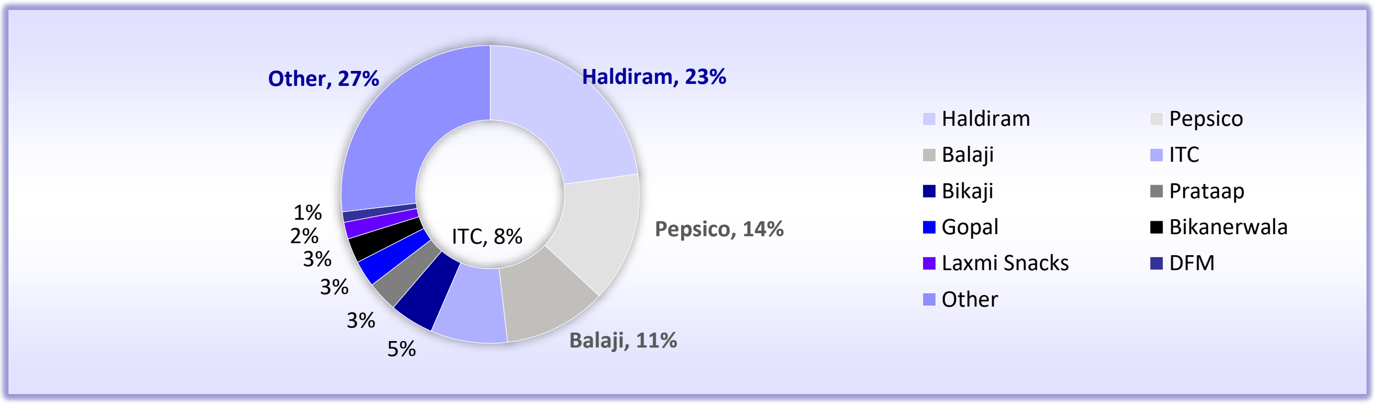
Category-wise other packaged food market (FY29P)



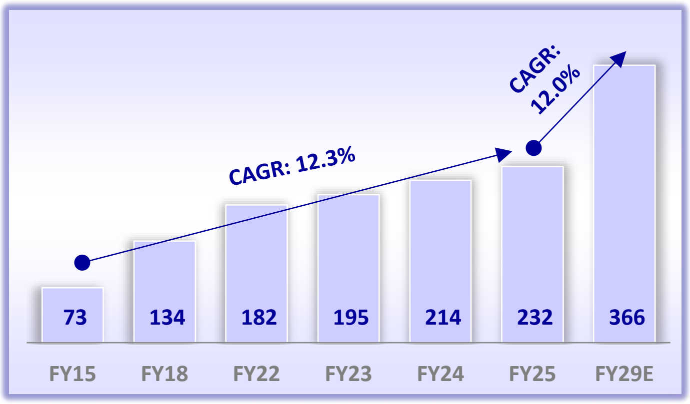
Savory snacks market (INR b)



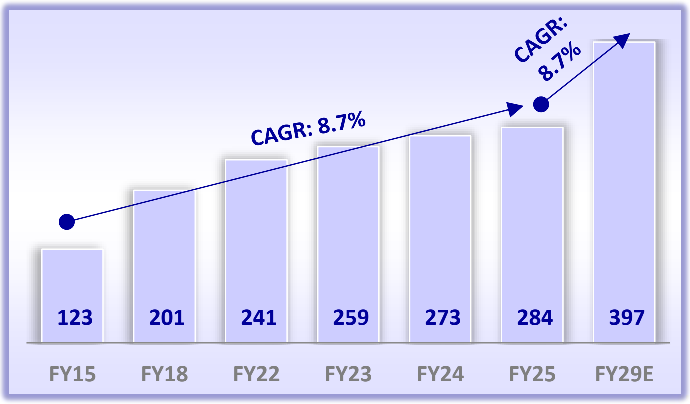
Organized savory snacks market share



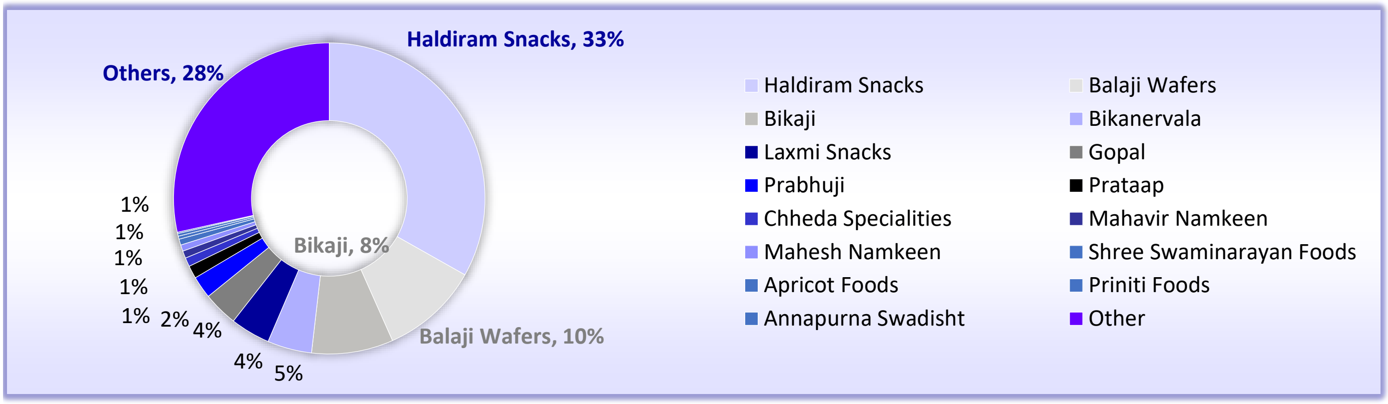
Organized ethnic snacks market (INR b)



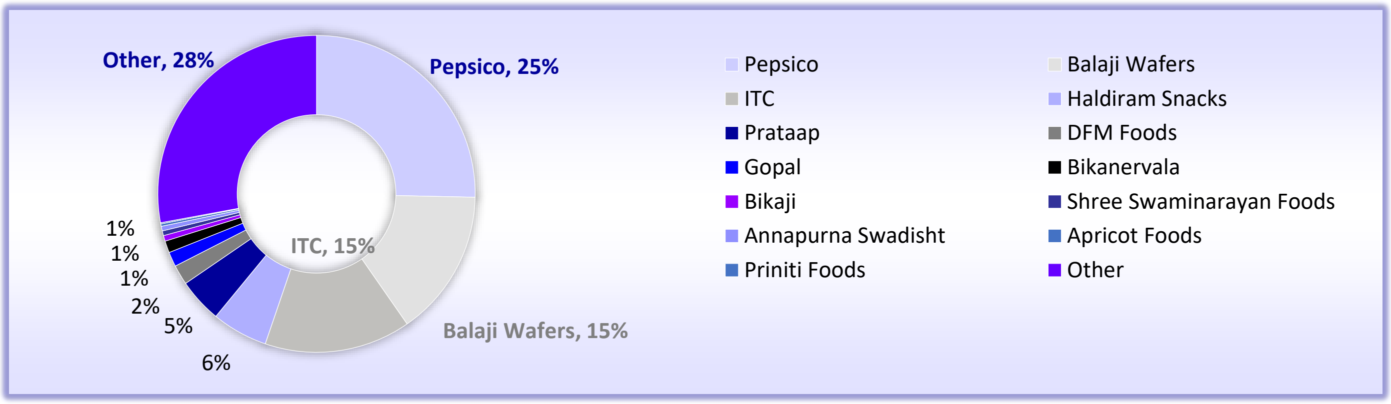
Organized western snacks market (INR b)



Organized ethnic snacks market share



Organized Western snacks market share



Product (category-wise) contribution – peer comparison (FY25)

	Ethnic Snacks	Western Snacks	Papad	Sweets	Others
BFL	68%	6%	8%	13%	4%
GSL	52%	30%	3%	-	14%
PSL	18%	76%	-	2%	3%

Hero products contribution – peer comparison (FY25)

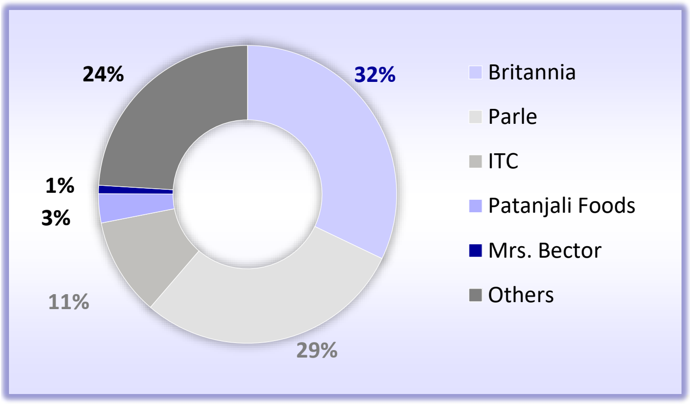
BFL		GSL		PSL	
Hero Products	**Contribution**	**Hero Products**	**Contribution**	**Hero Products**	**Contribution**
Bikaner Bhujia	25%	**Gathiya**		**Chulbule**	16%
Namkeen		Bhavnagari	19%	**Pellets**	
Kuch Kuch		Papdi		Katori	7%
Soya Sticks		**Namkeen**		Wheel	3%
Navrattan	17%	Tikha Mitha Mix		Pipes	1%
Nut Cracker		Sev Murmura	15%	**Rings**	9%
Moong Dal		Sev Namkeen		**Namkeen**	
Sweets		**Snack Pellets**		Moong Dal	
Rasgulla		Chowkadi	7%	Aloo Bhujia	
Soan Papdi	11%	Masala Cup		Punjabi Tadka	14%
Gulab Jamun		**Wafers**	8%	Tasty Peanut	
Western Snacks				Ratlami Sev	
Chips	6%				
Total	**60%**		**50%**		**50%**

Top 5 markets of listed peers and their contributions (FY25)

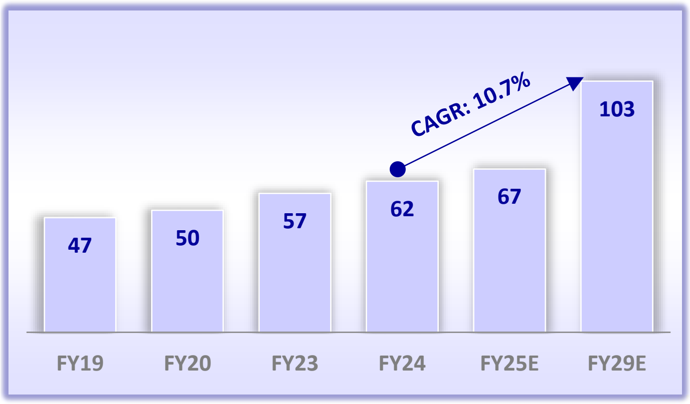
BFL		GSL		PSL	
State	Contribution	State	Contribution	State	Contribution
Rajasthan	34%	Gujarat	71%	Maharashtra	15%
Bihar	17%	Maharashtra	13%	MP	11%
Assam	17%	Uttar Pradesh	4%	Gujarat	9%
Uttar Pradesh, Punjab, Haryana	6%	Madhya Pradesh	4%	Uttar Pradesh	8%
		Rajasthan	3%	Haryana	7%
Total	**74%**		**95%**		**51%**

Indian biscuit market size (INR b)

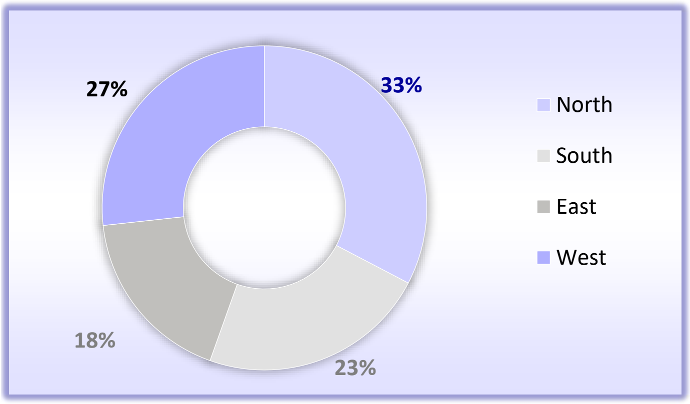
Indian biscuit industry market share in FY25



Indian bread and buns – retail market size (INR b)



Bread and buns consumption by geography



Financial and Valuation of Food & Beverages companies (based on the Bloomberg consensus)

Particulars	CMP (INR)	MCap (INR b)	Price Performance (%)			CAGR FY26-28E (%)			P/E (x)		
			6M	1Y	3Y CAGR	Revenue	EBITDA	PAT	FY26E	FY27E	FY28E
Britannia Industries	6,027	1,452	4.4	24.7	11.0	10.7	12.5	13.8	58.1	50.7	44.8
Nestle India	1,315	2,535	9.9	17.8	9.5	10.5	13.9	15.8	79.3	67.7	58.9
Tata Consumer Products	1,182	1,170	8.5	25.8	13.7	10.5	15.7	20.8	71.0	56.6	48.6
Varun Beverages	489	1,653	7.1	-25.1	24.6	14.4	14.3	15.9	54.5	45.9	39.9
Zydus Wellness	483	154	21.0	21.8	14.7	24.4	33.0	26.4	44.9	33.1	27.5
Bikaji Foods International	718	180	-2.0	-4.0	20.7	15.4	14.5	18.5	60.7	49.1	43.8
Gopal Snacks	320	40	-9.1	-13.9	NA	NA	47.9	79.5	71.1	30.8	21.9
Prataap Snacks	1,186	28	15.5	3.1	7.5	8.2	20.2	40.6	72.8	46.2	37.0
Mrs Bectors Food Specialities	244	75	-10.2	-24.4	41.0	15.2	22.3	30.2	50.9	38.7	30.2
LT Foods	381	132	-21.9	-11.7	49.4	13.0	17.3	24.5	18.7	14.3	12.0
F&B players						**11.8**	**14.8**	**17.3**	**65.7**	**55.1**	**47.9**

Insights from the 'Industry Experts'

L Catterton India

Structural tailwinds - Long-term growth for packaged foods

L Catterton India

Mr. Sanjiv Mehta, Executive Chairman

Key takeaways: "The Indian food processing sector's long-term growth potential is likely to be significantly higher than currently anticipated."

- Structurally, India's agricultural ecosystem faces constraints. While 60% of the population resides in rural areas and 45% depends on agriculture, the sector contributes only 18% to GDP and grows at about half the overall economy's growth rate.
- Categories like HPC and beauty have been established over the past century. Food remains fundamentally local and deeply rooted in tradition, with packaged food penetration still in the low-teens in India.
- Evolving consumer preferences toward authentic local tastes, combined with a culture of experimentation, fueled by digital platforms, are reshaping how packaged foods are consumed and discovered in India.
- The industry is witnessing an increasing consumer shift toward authenticity, with shoppers gravitating toward traditional and regional packaged food products.
- Social media platforms are playing a powerful role by enhancing self-expression and accelerating the discovery of innovative formats and emerging brands.
- Greater industrialization of the food value chain, coupled with agricultural reforms and the expansion of cultivable land, will be critical to unlocking sustainable and robust growth.
- Product excellence is now paramount, with consumers closely evaluating ingredient quality, nutritional value, and taste. This makes innovation across formulation, packaging, and processing critical to enhance the consumer experience and extend product shelf life.

Tata Consumer Products

Food processing sector primed for transformational growth

Tata Consumer Products

Mr. Sunil A. D'Souza, CEO

Key takeaways: "India remains a global growth outperformer fueled by robust domestic consumption, infrastructure capex, and progressive policy reforms."

- India is a global growth outperformer with GDP of 6.5-7.0% through FY26, led by rapid urbanization, rising incomes, and digital penetration, fueling demand for premium packaged foods.
- Premiumization is driven by health & wellness and convenience as key themes, with Gen Z/Millennials estimated to account for ~76% of consumption by 2030.
- Mr. D'Souza expects significant growth in staples (pulses ~INR1,700b, low single-digit branded share), spices (~INR670b, <50% organized), RTD beverages, and health categories (dry fruits ~INR200b, broadly unorganized).
- More importantly, branded penetration of these categories is in low single digits, providing a long runway for growth as young consumers prefer quality to price.
- The GST framework has favored the food sector's formalization through unified taxation, promoting compliance, scale efficiency, and organized share gains from unbranded players.
- Macro headwinds – post-Covid slowdown, weak rural incomes and high food inflation – have slowed consumption; however, Mr. D'Souza anticipates GST 2.0 reforms would boost disposable incomes and revive demand.

Dabur India

India poised for robust expansion in the packaged foods sector

Key takeaways: "The Indian food processing sector stands at the cusp of innovation, transformation, and purpose-driven growth."

- India's packaged food market is poised for steady expansion, with an expected growth rate of ~10-12% over the next 3-5 years. This growth is driven by robust consumption trends, increasing penetration, and a faster shift toward organized players.
- Many categories still have penetration levels well below global benchmarks, and the packaged food industry is projected to outpace the broader FMCG sector, growing at ~1.5x.
- Packaged food sub-segments have high growth potential, with spices, staples, snacks, beverages, biscuits, and confectionery offering significant headroom for penetration, driven by increasing affordability and rising consumer aspirations.
- Over time, increasing formalization is also expected to drive improvements in product quality, standardization, packaging, and food safety.
- Organized players are better positioned to comply with regulatory and quality benchmarks. This shift should support premiumization, brand trust, and higher market share gains for listed companies, thereby strengthening long-term earnings visibility for the sector.
- Maintaining product quality while keeping prices affordable remains the biggest challenge. Affordability is strained by low-quality, unorganized products disrupting price-sensitive markets.

Dabur India

Mr. Mohit Malhotra, CEO

ITC

Significant headroom for growth as formalization accelerates

Key takeaways: "The Indian packaged food industry, currently valued at ~INR4t, offers significant growth potential as branded packaged foods account for only ~20% of the market, indicating ample room for expansion."

- In India, growth of packaged foods is driven by formalization tailwinds, and branded staples, with only 15-20% penetration, offer the largest opportunity as consumers prioritize trust, quality, and consistency.
- Snacking maintains 15-16% growth through diverse and healthier options, while global cuisines/trends, such as Korean and frozen foods, gain rapid traction.
- Increasing urbanization, rising disposable incomes, and changing consumer lifestyles are further boosting demand, especially for convenience and ready-to-eat foods. Gen Z population, expected to represent nearly 50% of organizational decision-makers by 2032, is shaping food preferences with their digital-first consumption habits, which the industry would need to anticipate and adapt to.
- Biscuits, a mature category, could expand via premium formats such as freshly baked and choco-filled variants. Staples, health-forward products, and experiential foods are poised to outperform amid urbanization and rising incomes.
- Health-oriented categories, including protein bars and functional foods, are rapidly expanding across demographics as consumers prioritize proactive nutrition.
- Innovation, portfolio diversification, and supply-chain resilience will propel the next phase of growth, and large incumbents must broaden their portfolios to address diverse segments and consumption occasions, capitalizing on urbanization, rising incomes, and demand for convenient, health-focused products.

ITC

Mr. Shuvadip Banerjee, Chief Digital Marketing Officer

Balaji Wafers

Strong growth outlook supported by rising convenience demand

Balaji Wafers

Mr. Chandubhai Virani,
Founder & MD

Key takeaways: He forecasts strong double-digit growth for India's packaged food industry over the next 3-5 years. Companies attuned to evolving preferences, delivering quality products at accessible prices, will capture market share with strong consumer recall.

- India's packaged snacks industry relies heavily on small price packs (LUPs), with the INR5-10 range accounting for ~80% of volumes, driving affordability. Balaji Wafers capitalizes on this LUP dominance and regional scaling.
- Balaji is outpacing peers through its focus on superior quality at low prices, best-in-class retailer service, and world-class automated capacity expansions supporting dominance in Gujarat/Maharashtra and rapid scale-up in UP/South India.
- Convenience-led impulse categories are poised to outperform over the next 2-3 years, with ready-to-eat and ready-to-cook snacks leading growth amid urbanization and busier lifestyles.
- These segments benefit from expanding modern trade and quick-commerce penetration, enabling wider availability for products, driven by impulse purchases.
- Evolving tastes for innovative flavors and healthier options are expanding regional snacks such as gathiya into UP/Delhi through quality upgrades and distribution.
- In a crowded market with abundant choices and minimal differentiation, deep consumer insights driving such innovations will secure enduring growth and moats.

Patanjali Foods

Brand differentiation challenges industry pricing power

Patanjali Foods

Mr. Sanjeev Asthana,
CEO

Key takeaways: "The packaged food industry is poised for mid- to high-single-digit volume growth, underpinned by robust consumer demand amid the shift from loose to packaged products."

- The packaged food industry is expected to clock healthy volume growth, driven by a steady shift from unbranded to branded products and strong consumer tailwinds.
- Two key macro trends shape India's packaged food sector: 1) an accelerating shift from loose to packaged products in dry fruits, pulses, and spices, driving faster growth, and 2) growing premiumization.
- Customer retention challenges persist, as weak brand differentiation prompts switching amid price hikes, constraining pricing power. Urbanization and e-commerce amplify these dynamics, favoring adaptive incumbents.
- Innovation emerges as a key growth enabler for India's packaged food sector, supported by e-commerce and quick commerce that boost accessibility and product trials.
- Novelty is poised to be the primary growth driver in the packaged food industry, enabling companies to meet fast-evolving consumer preferences. As disposable incomes increase and convenience gains importance, firms that excel in innovating product quality, technology, and supply chains will capture a greater market share.
- Persistent logistics gaps, particularly farm-to-factory movement, remain a structural challenge in India's packaged food supply chain, despite gradual infrastructure improvements. Category growth is likely to expand to 10-12% as base effects intensify, prompting greater reliance on acquisitions for inorganic expansion.

Bikaji Foods International

Formalization to fuel mid- to double-digit growth for packaged foods

Bikaji Foods International

Mr. Deepak Agarwal, Managing Director

Key takeaways: "The Indian packaged food sector is projected to grow at a healthy pace, driven by formalization and meal substitution with the snacking trend."

- The shift from unbranded to branded packaged foods accelerates structural growth at 12-15% over the next 3-5 years, fueled by formalization tailwinds.
- Snacking increasingly substitutes meals, supported by rising disposable incomes, broader distribution networks, and demand for affordable convenience. This transition enhances category penetration amid urbanization and e-commerce expansion.
- Spices (~75% unorganized) and sweets (~85-90% unorganized) offer substantial penetration-led growth potential in the packaged food sector. Within snacks, regional flavors and healthier variants are set to outperform amid rising demand for authenticity and wellness.
- Mature categories such as biscuits and confectionery categories face subdued growth due to high penetration and intense competition. However, premiumization has a role to play, as fresh food is driving snacking habits for the Gen-Z population.
- Beyond traditional distribution, alternate channels drive category adoption amid urbanization and convenience-seeking behaviors. Innovation in digital scaling will define the growth phase.
- Innovation accelerates packaged food growth by enhancing quality, shelf life, convenience, and reach through advanced processing and packaging. For instance, kaju barfi's shelf life extended from 7 days to 2-3 months, enabling national distribution and volume scale-up.

Zydus Wellness

Convenience, health orientation, and higher income boost growth

Zydus Wellness

Mr. Tarun Arora, CEO

Key takeaways: "The packaged food industry is set for healthy double-digit growth, fueled by three consumer shifts: 1) convenience through availability and affordability; 2) preference for trusted, healthier branded products; and 3) evolving tastes embracing Western cuisines."

- Convenience-led categories such as ready-to-eat and ready-to-cook foods and healthier snacking options are poised to outperform. Staples will continue to be the backbone, with increased formalization unlocking significant growth potential.
- Expanding consumption occasions will drive growth in ready-to-drink beverages. A major behavioral shift shows consumers, especially younger urban cohorts, prioritizing healthier alternatives like beetroot chips, baked namkeens, and low-oil snacks.
- Innovation and consumer retention will define the next growth phase in packaged foods, surpassing traditional distribution and branding efforts. With "loyalty dead" amid variety-seeking behavior, innovation fosters stickiness, particularly in healthy snacking, the "new social currency" for the 25-45-year age cohort.
- Format diversification, from white bread to multigrain, sourdough, and high-protein variants, reshapes expectations and maintains premiumization.
- Health, protein, and energy themes dominate India's snacking evolution. This purposeful shift from indulgence to nutrition reflects urban fitness trends and label-reading habits. Consumers prioritize low-calorie, millet-based, and clean-label snacks over indulgent choices.
- Protein-rich products: Demand surges for roasted chana, whey-coated nuts, and high-protein bars.

Mrs. Bectors Food Specialities

Authenticity fuels demand for packaged foods

Mrs. Bectors Food Specialities

Mr. Anoop Bector, MD

Key takeaways: "The Indian packaged foods sector is poised to grow volumes at 10%+ annually, driven by rapidly evolving consumer preferences as consumers are increasingly seeking healthier food options with lower maida, sugar, and salt content."

- Authenticity, quality, and consumer experience are becoming central to food consumption, even as eating habits stay rooted in tradition. Packaged foods enjoy strong growth potential, led by product innovation and agile supply chains that respond quickly to evolving tastes.
- As consumers experiment more and seek richer product experiences, companies are able to launch premium, differentiated offerings, including SKUs tailored for discovery-led quick commerce.
- Rising female workforce participation and busier urban lifestyles are accelerating reliance on convenient packaged foods such as bread and bakery products.
- The rapid growth of social media channels is accelerating consumer discovery of innovative packaged food formats and emerging brands, including baked rusks, creams, and crackers.
- The growing emphasis on authenticity, consistent quality, and experiential experimentation is becoming a critical driver of expansion, collectively enhancing consumer engagement and growth.
- India's widespread protein deficiency presents a significant long-term opportunity for companies developing high-quality, great-tasting, protein-rich packaged foods. Concurrently, rising consumer awareness around ingredient traceability and demands for low-carb-sugar-salt options are fueling premiumization across the sector through cleaner, transparent formulations.

Orkla India

Sunrise sector with multi-year growth runway

Orkla India

Mr. Sanjay Sharma,
Managing Director & CEO

Key takeaways: "The packaged food sector remains the sunrise sector and is expected to grow at 11-12% over the next 3-5 years, driven by robust consumer trends, rising penetration, and a shift toward organized players."

- India's packaged food industry is set to grow at ~11-12%, driven by structural shifts such as rising urbanization, job-led migration to employment hubs, the rise of nuclear families, and increasing demand for convenience amid limited time and reduced inclination for home cooking.
- Working women are increasingly adopting ready-to-eat products due to time constraints, while urbanization fuels job opportunities that accelerate on-the-go snacking and demand for ready-to-eat food.
- Mr. Sharma sees health-focused and clean-label offerings emerging as major growth vectors across categories, with consumers seeking shorter ingredient lists, natural positioning, and functional benefits like high protein, fiber, or reduced sugar. This trend is particularly evident in snacking, where nuts, seeds, millet-based products, baked formats, and "better-for-you" indulgences are gaining significant share.
- India offers unique ingredients and concepts with strong potential in healthy snacking, though consumer education and product development require further advancement. This category will be shaped by digital-first go-to-market models, an innovation-driven start-up ecosystem, sustained capital readiness, and deeper integration with efficient agricultural value chain.
- Category expansion will be propelled by products difficult to prepare at home, with impulse and semi-processed segments like snacks, biscuits, and beverages leading the way.
- Staple categories such as rice, flour, oil, and spices also offer strong potential for branded penetration.

Industry overview

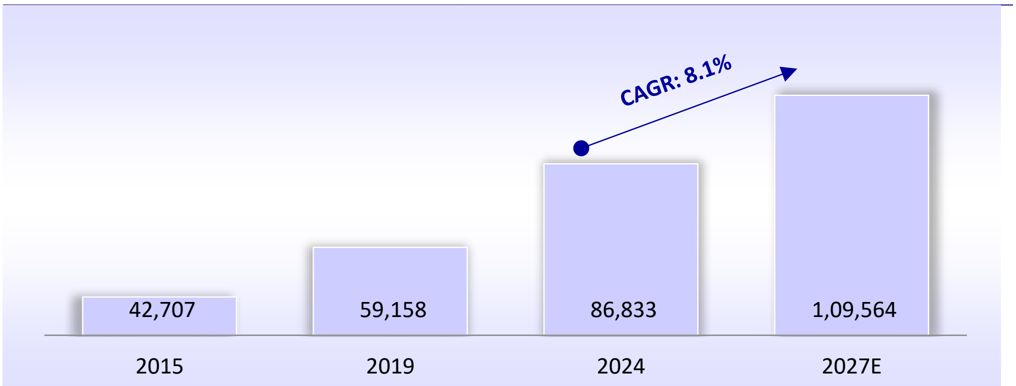
> India through its food industry has the opportunity to not only elevate the livelihood of our farmers but also to nourish the nation and contribute to global food security.
>
> **Mr. Sanjiv Mehta, Executive Chairman, L Catterton India**

Indian food & food processing sector

India's food processing sector has emerged as a cornerstone of the country's economy, effectively bridging agriculture with manufacturing and exports. According to Grant Thornton, the sector was valued at INR86.8t in FY24 and is projected to expand notably to INR109.5t by FY27, underscoring strong growth momentum driven by evolving consumer preferences and increased value addition.

The food processing industry landscape comprises three key levels:
Primary processing: cleaning, grading, and packaging of farm produce; Secondary processing: transformation into intermediate or finished foods, such as flour milling and milk pasteurization; Tertiary processing: value-added segment led by the creation of ready-to-eat (RTE), ready-to-cook (RTC), and convenience foods, which is the fastest-growing segment led by the snacking bakery and frozen categories.

Exhibit 1: Indian food and food processing market (INR b)

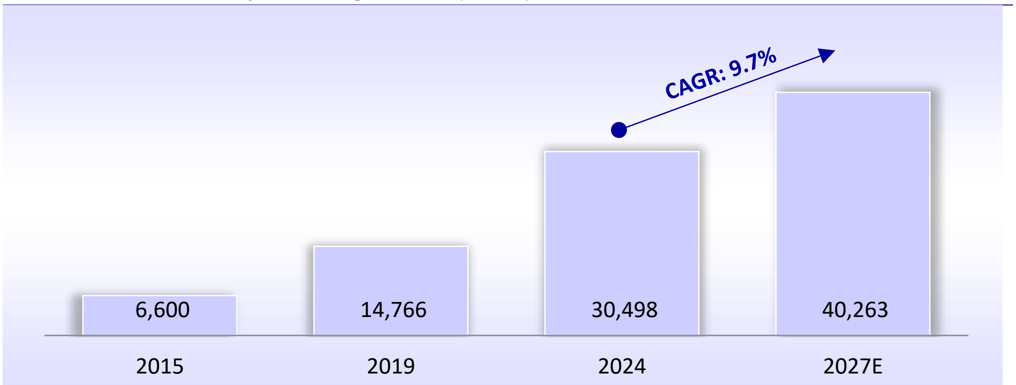


Source: Grant Thorton, MOFSL

> India's food processing sector remains vastly under-leveraged, offering significant potential for growth and transformation. The scale of opportunity ahead enables us to better serve consumers by accelerating innovation and meeting evolving dietary preferences
>
> **Mr. Sunil A. D'Souza, CEO, Tata Consumer**

India's food processing industry, valued at INR30.5t in FY24, is poised for rapid growth, projected to hit INR40.3t by FY27. It contributes 7.9% on manufacturing GVA and is projected to expand at 9.7% CAGR over FY24-27. The sector, which accounts for nearly 35% of the total food industry, is driven by a strong agricultural base, government schemes like PLI and 100% FDI, and rising consumer demand for convenient, health-oriented foods.

Exhibit 2: Indian food processing market (INR b)



Source: Grant Thorton, MOFSL

Exhibit 3: Indian food and food processing industry structure

Food and Food Processing Industry

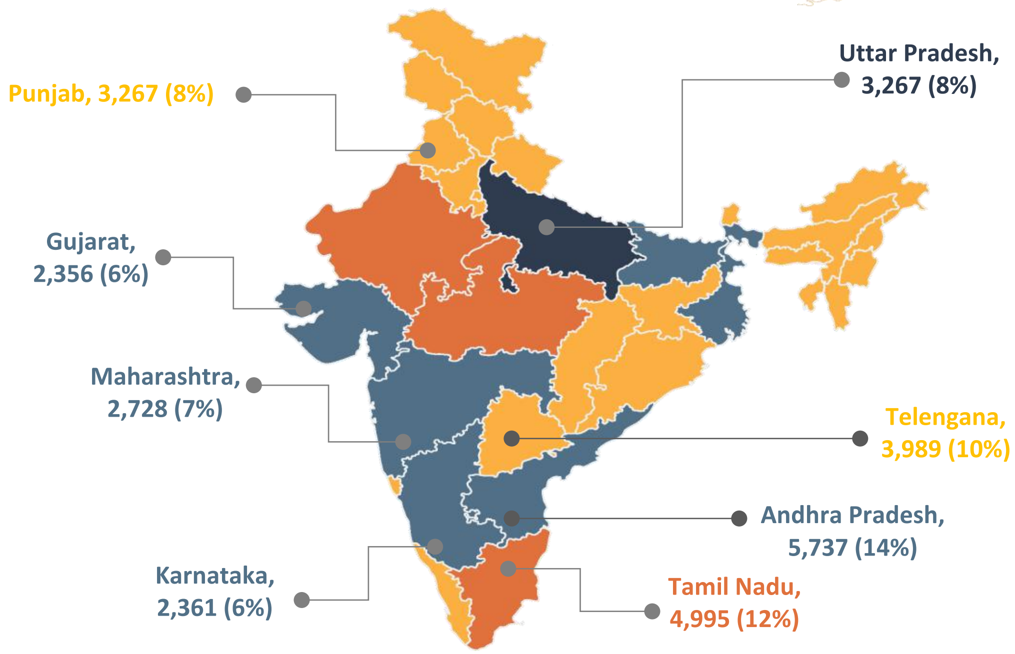
Biscuit/Bakery	Beverges (Non-alcoholic)	Dairy	Snacks	Fruits & Vegetables	Meat/Fisheries & Poultry	Nutraceuticals
Parle	Dabur	Britannia	Haldiram's	ITC	Venky's India	Dabur
Nestle	Pepsico	ITC	Balaji	Dabur	Meat Products of India	Himalaya
Britannia	Coca-Cola India	Nestle	Bikanervala	Mother Dairy F&V	Al Kabeer Exports	Patanjali
Patanjali	Tata Global Beverages	Danone	Pepsico	Del Monte	Nippon Meat Packers	Amway
Priyagold	Parle Agro	Paras	ITC	McCain Food	Allanasons Private	Hexzgon Nutrition
Elite	Orient Beverages	Hatsun	Prabhuji	Nestle	IB Group	Arjuna Natural
Surya Food & Agro	Hershey's	Creamline	BFL	Rasna	Delightful Gourmet	OmniActive Health
ITC		Dodla	GS	Pepsico		
Bonn		Heritage	PS	Haldiram		
Monginis		Saahaj	DFM Foods	Paperboat		
Anmol		Krishna Dairy	Chheda	Amazon Fresh		
Winkies		Mahaan	Chitale	Reliance Fressh		
		Groupe Lactalis	Annapurna Swadisht			
		Groupe Serap				

Source: Brickwork Ratings, MOFSL

> "The long-term success and growth of the food processing sector depends on the integration with the agriculture sector
> **Mr. Sanjay Sharma, CEO, Orkla India**"

According to the Annual Survey of Industries (ASI) 2019-20, the Southern region leads India's food processing sector in terms of geographical distribution. Andhra Pradesh accounts for ~14.3% of registered food processing factories, followed by Tamil Nadu with 12.7% and Telangana at 9.6%. This highlights the South's dominant position in manufacturing infrastructure and food processing activity within the country.

Exhibit 4: Leading states in India for food processing units as on ASI 2019-20



Source: Grant Thorton, MOFSL

> The Indian food processing sector stands at the cusp of innovation, transformation, and purpose-driven growth. It is an exciting time as the sector transforms into a catalyst for better health, well-being, and inclusive growth
>
> **Mr. Mohit Malhotra, CEO, Dabur India**

Indian packaged food market

The Indian packaged food market stood at INR10.2t in FY24 and is projected to record a CAGR of ~11.0%, reaching INR17.1t by FY29. This expansive market encompasses multiple segments, including packaged staples, packaged dairy, packaged beverages, packaged meat, and other packaged foods.

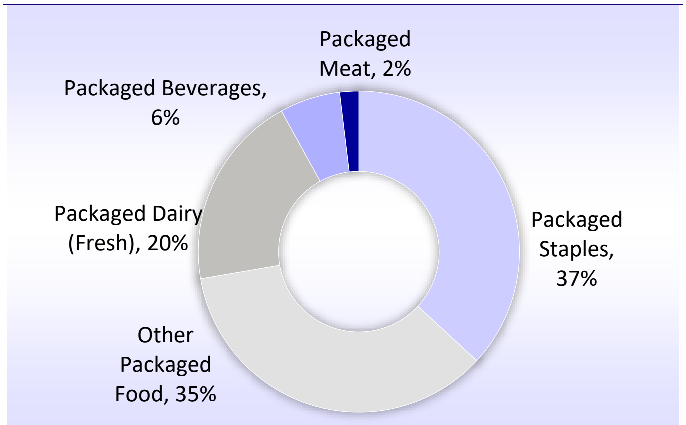
Notably, the packaged beverages, packaged dairy, and other packaged food segments are expanding at a faster pace than the overall packaged food market, reflecting shifting consumer preferences towards convenience and premiumization in these categories. This robust growth trajectory underscores the increasing penetration and diversification within India's food consumption landscape.

Exhibit 5: Indian packaged food market segmentation (INR b)

Category	2015	2019	2024	2027P	2029P	CAGR (%) 2015-2024	CAGR (%) 2019-2024	CAGR (%) 2024-2029
Packaged Staples	1,510	2,250	3,755	5,025	6,080	10.7	10.9	10.2
Other Packaged Food	1,280	2,220	3,605	5,011	6,245	12.2	10.2	11.6
Packaged Dairy (Fresh)	550	1,100	2,005	2,742	3,380	15.5	12.8	11.0
Packaged Beverages	300	390	620	876	1,100	8.4	9.7	12.2
Packaged Meat	120	140	195	260	315	5.5	6.9	10.1
Indian Packaged Food Market	**3,760**	**6,100**	**10,180**	**13,914**	**17,120**	**11.7**	**10.8**	**11.0**

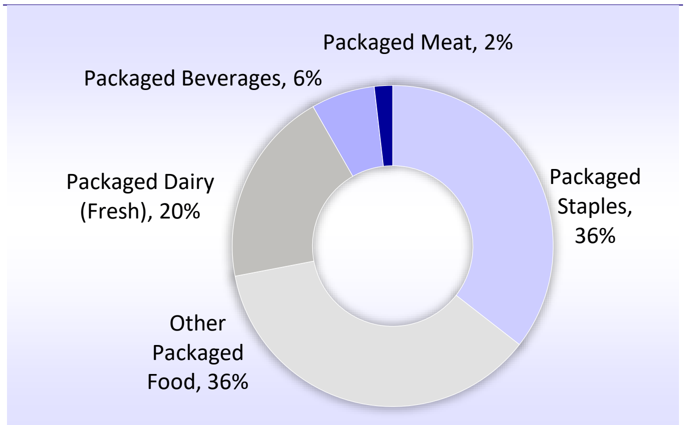
Source: Technopak analysis MOFSL

Exhibit 6: Category mix – packaged food market (FY24)



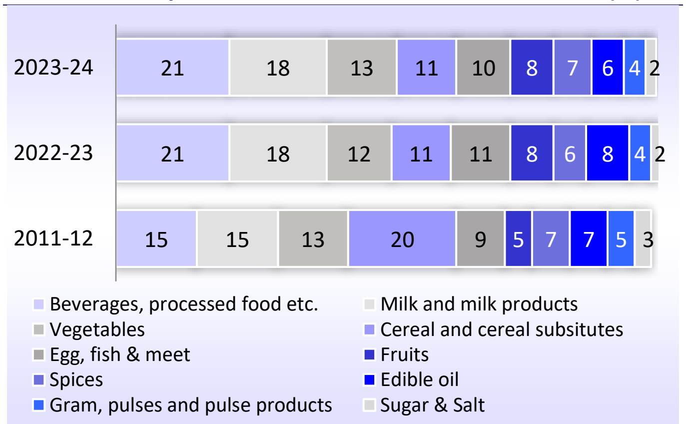
Source: Frost & Sullivan Analysis, MOFSL

Exhibit 7: Category mix – packaged food market (FY29P)



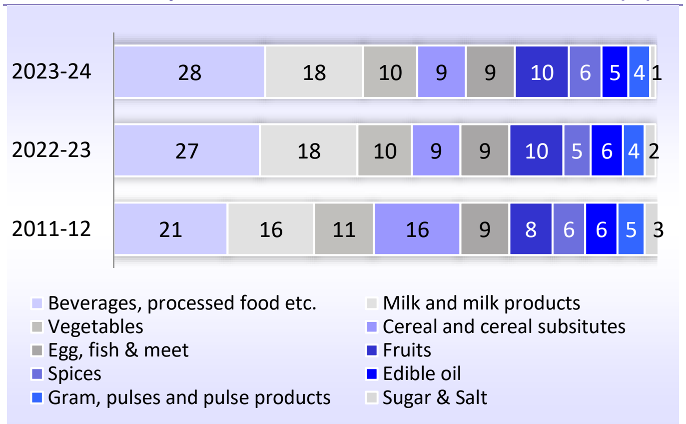
Source: Frost & Sullivan Analysis, MOFSL

Exhibit 8: Composition of MPCE on food items – Rural (%)



Source: Household Cons. Expenditure Survey 2023 - 24, MOFSL

Exhibit 9: Composition of MPCE on food items – Urban (%)



Source: Household Cons. Expenditure Survey 2023 - 24, MOFSL

Key growth drivers of the Indian packaged food market

Rising disposable income and dual-earner households

Rising disposable incomes and increased female workforce participation in India have boosted dual-income households, driving demand for convenient, ready-to-eat, and packaged foods. The expanding middle- and high-income groups, along with higher per capita income, are fueling greater discretionary spending.

Urbanization and time-constrained lifestyles

As of 2023, India's urban population stood at 519m, making it the second-largest urban population globally. Though only ~36% of the population is urban (compared to ~58% globally), urban centers contribute ~63% of India's GDP. By 2030, the urban population is expected to rise to around 613m (about 41%). This rapid urbanization, coupled with rising nuclear families, is driving strong demand for packaged foods.

Growing consumer traffic on e-commerce and quick commerce

E-commerce and quick-commerce are rapidly transforming India's packaged food market. Modern retail's share is growing steadily, supported by superior shelf space and customer experience both in-store and online. Quick-commerce platforms like Zepto, Blinkit, and Instamart enable ultra-fast (10-minute) delivery, with packaged food contributing ~45-50% of total sales across these channels. This convenience, along with personalized marketing, is fostering strong consumer loyalty. With internet users expected to surpass 1b by 2030, the e-commerce channel remains a key growth driver for packaged foods in India.

Wellness on the go: The surge of healthier packaged food in India

Post-pandemic consumer behavior in India shows a marked shift towards healthier packaged food, with hygiene becoming paramount in food choices. Packaged foods, trusted for their controlled processing, standardized packaging, and clear labeling, are preferred over loose or unbranded options. This has boosted consumer confidence in branded products and accelerated the formalization of the food sector. The trend is expected to persist, driven by rising health consciousness and safety awareness across urban and semi-urban consumers, reinforcing demand for hygienic, nutritious, and quality-assured snack options.

Exhibit 10: Key players and innovators in the packaged food market

Brand	Revenue FY24 (INR m)	What They Do / Product Focus	Why They're Gaining Traction
Too Yumm!	4,774	❖ Baked chips, veggie sticks, and multigrain snacks healthier alternatives to fried snacks	❖ Strong marketing; visible presence; good flavor innovation; connected well with millennials & Gen Z
Happilo	3,311	❖ Premium dry fruits, nuts, seed mixes, and dried fruit-based snacks	❖ Quality positioning, attractive packaging, growing e-commerce presence, appeals to gifting + snacking markets
Farmley	2,306	❖ Date bites, dry fruit & nut mixes, healthy snack formats with lower sugar / preservative content	❖ Rapid YoY growth; trend appeal for "no-added-sugar," "preservative-free"; good alignment with consumer demand for trust & transparency
Yoga Bar	1,101	❖ Protein bars, muesli, breakfast cereals; clean ingredients, no artificial additives	❖ Strong endorsement from health-conscious consumers; backed by ITC; good distribution both online & offline
TagZ Foods	188	❖ Popped chips (low-fat, preservative-free), etc., aimed at health-conscious consumers	❖ Appeals especially to Gen Z; clean labels, trendy flavors; positioned as a healthier alternative in popular snack formats
Snack-Amor	8	❖ Immunity-boosting, healthy snacks; flavorful options, munchies, etc.	❖ Targeting both kids & adults; trying to bridge "taste + health"; decent traction in modern retail and online

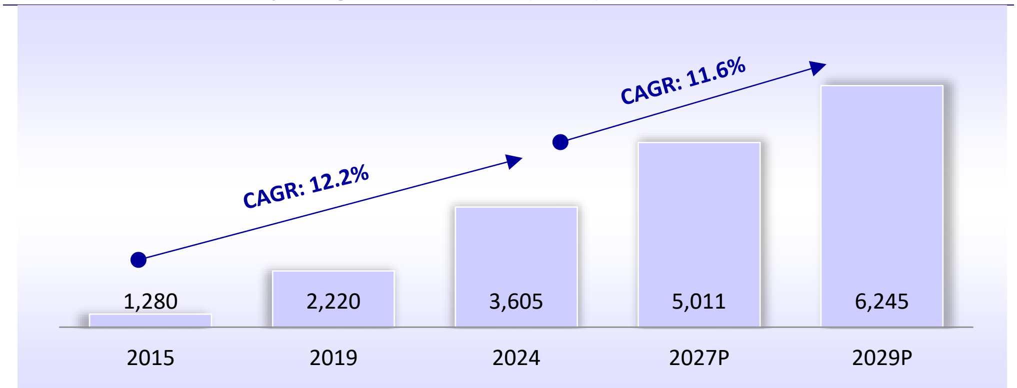
Source: MOFSL

> The processed food sector is rapidly evolving, driven by urbanization, rising disposable income & premiumisation, changing lifestyles, and growing consumer demand for convenient, safe, and ready-to-use food options
>
> **Mr. Manoj Verma, COO, Bikaji Foods**

Other packaged food market – India

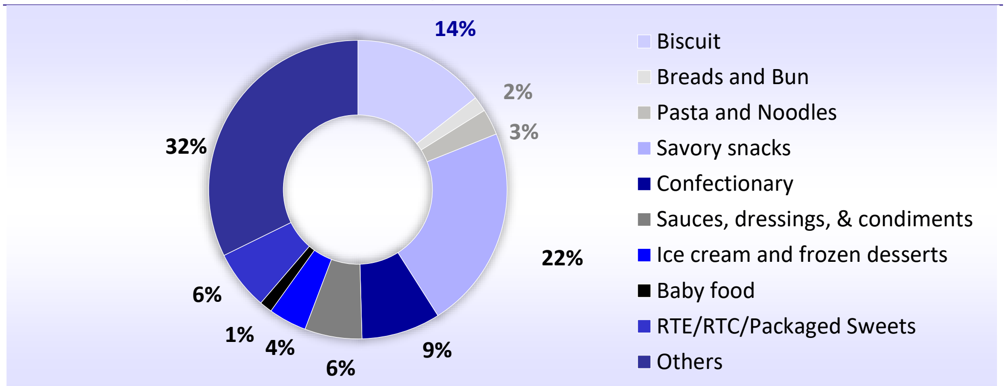
The other packaged food market in India, including biscuits, breads, buns, savory snacks, confectionery, condiments, and ready-to-eat/cook products, was valued at INR3.6t in FY24. Growth is driven by urbanization, evolving lifestyles, rising nuclear families, and an increase in working women. The market is expected to reach INR6.3t by FY29 with an 11.6% CAGR. Savory snacks (~20.7%) and biscuits & bakery (~17.0%) are the major categories within other packaged food.

Exhibit 11: Indian other packaged food market (INR b)



Source: Technopak analysis, MOFSL

Exhibit 12: Category-wise other packaged food market - FY29P



Source: Frost & Sullivan Analysis, MOFSL

Exhibit 13: : Key categories of the other packaged food industry (INR b)

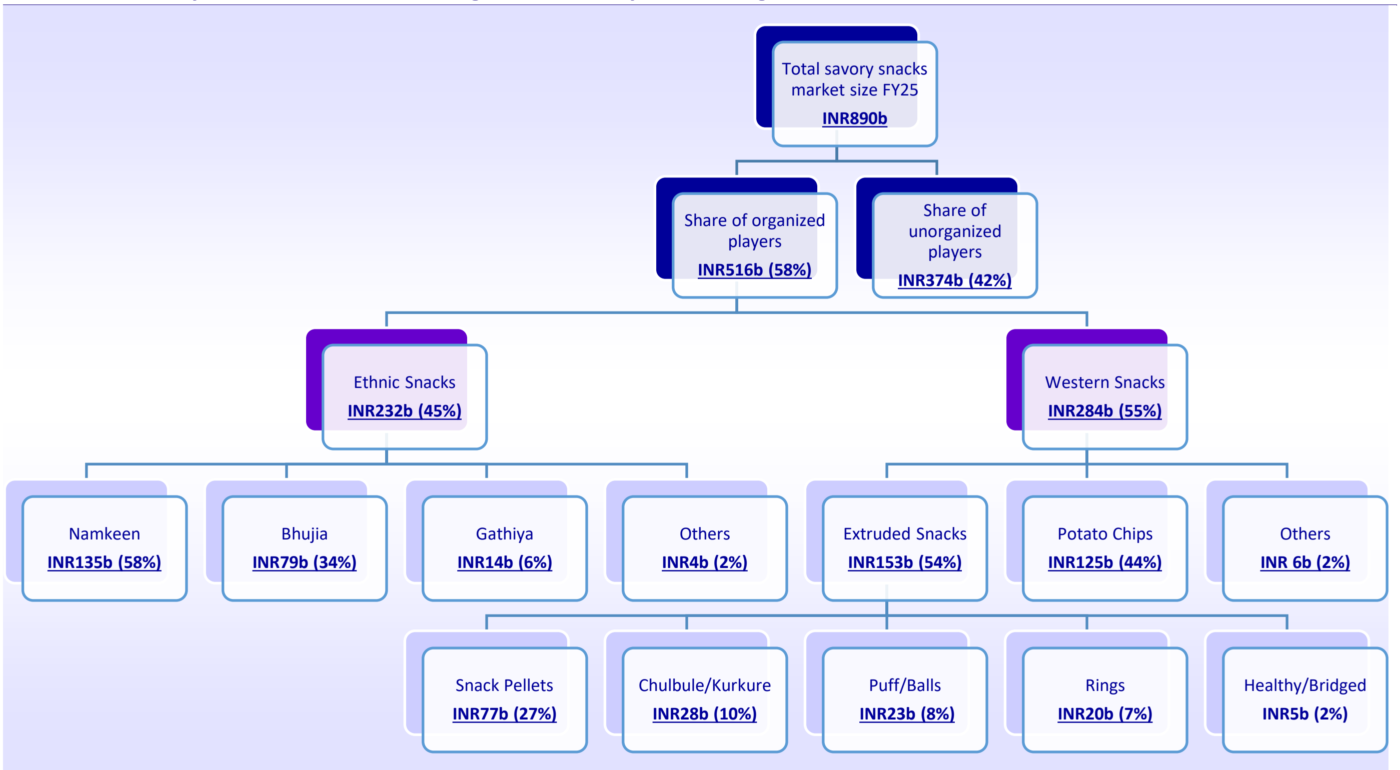
Category	2019	2024	2029P	CAGR 19-24 (%)	CAGR 24-29P (%)
Biscuit	363	551	903	8.7	10.4
Breads and buns	47	62	103	5.7	10.7
Pasta and noodles	71	114	176	9.9	9.0
Savory snacks	345	748	1,378	16.7	13.0
Confectionary	260	381	535	7.9	7.0
Sauces, dressings, & condiments	147	230	388	9.3	11.0
Ice cream and frozen desserts	111	160	258	7.5	10.0
Baby food	43	59	86	6.6	8.0
RTE/RTC/Packaged sweets	84	169	403	15.0	19.0
Others*	748	1,131	2,015	8.9	12.7
Total	**2,220**	**3,605**	**6,245**	**10.3**	**11.6**

*Note: Others include Value added dairy, tea/coffee, breakfast cereals and packaged dry fruits, Source: Technopak analysis, MOFSL

Indian savory snacks market

India's savory snacks market is estimated at INR890b in FY25, with a projected CAGR of ~9-10% over the next 3-4 years. The organized segment contributes 58% of the total market, dominated by western snacks (INR284b, 55%) such as chips, extruded snacks, and nachos, and ethnic savories (INR232b, 45%) including namkeen, bhujiya, sev, and gathiya. In the unorganized segment, ethnic snacks lead with a 40% share, followed by chips (30%), extruded snacks (20%), and bridges (10%), reflecting the diverse and evolving consumer preference landscape across India's snack categories.

Exhibit 14: Savory Snack attack – dissecting India's savory market segments



Source: Company, MOFSL

Exhibit 15: Indian savory snacks market: The organized-unorganized divide (INR b)

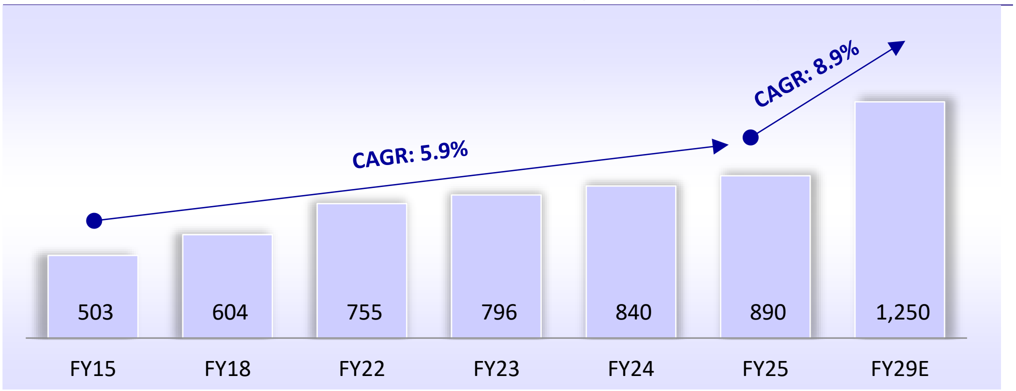
Particular	FY15	FY18	FY22	FY23	FY24	FY25	FY29E	10Y CAGR (%)	3Y CAGR (%)	FY25-29E CAGR (%)
Savory Snacks Market	503	604	755	796	840	890	1,250	5.9	5.6	8.9
Organized Savory Snacks Market	196	335	423	454	487	516	763	10.2	6.9	10.2
Unorganized Savory Snacks Market	307	269	332	342	353	374	488	2.0	4.0	6.9
Organized Ethnic Savory Snacks Market	73	134	182	195	214	232	366	12.3	8.5	12.0
Organized Western Savory Snacks Market	123	201	241	259	273	284	397	8.7	5.6	8.7

Source: Frost & Sullivan Analysis, MOFSL

India's savory snacks market, valued at INR890b in FY25, is projected to reach INR1.25t by FY29 (~9% CAGR).

India's savory snacks market has grown at a ~5.9% CAGR over the past decade, with the organized segment outpacing the unorganized by ~600-800bp. We estimate the industry to clock ~9% CAGR, led by the organized segment growing at ~10%. The market is projected to reach INR1.25t by FY29, driven by urbanization, wider distribution, and a consumer shift towards packaged foods. Post-COVID, there has been a structural shift favoring packaged snacks, boosting category growth beyond pre-pandemic levels. This signals strong growth prospects for organized players capitalizing on evolving consumer preferences.

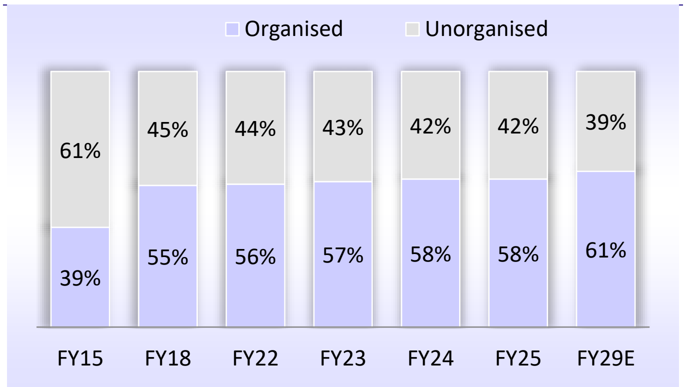
Exhibit 16: The savory snacks market is expected to grow ~9% during FY25-29 (INR b)



Source: Frost & Sullivan Analysis, MOFSL

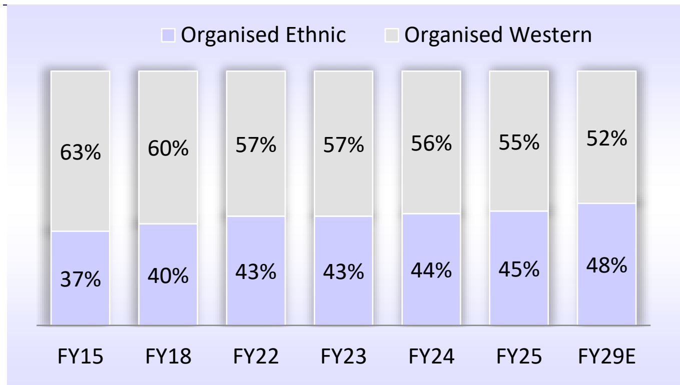
Over the last decade, India's organized savory snacks market has consistently outpaced the unorganized segment. In FY15, the unorganized share was 61% and is expected to decline to ~39% as consumers increasingly prefer healthier, hygienically packaged foods – a shift accelerated post-COVID with growing brand and quality consciousness. Within organized savory snacks, ethnic savories are expected to grow faster than western snacks by ~300-350bp CAGR over FY25–29, driven by consumer affinity for traditional flavors and higher grammage offerings that appeal during inflationary periods. This trend signals continued outperformance of ethnic savories in India's evolving snacks landscape.

Exhibit 17: Indian savory snacks market split



Source: Frost & Sullivan Analysis, MOFSL

Exhibit 18: Ethnic snacks are gaining share over Western



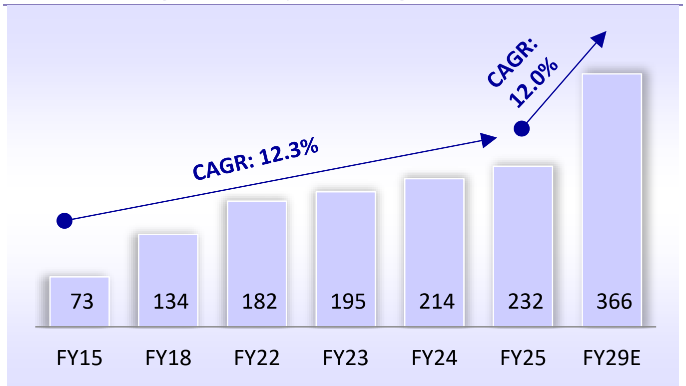
Source: Frost & Sullivan Analysis, MOFSL

Ethnic snacks (45% of the organized market)

India's ethnic snacks market, led by Namkeen (INR135b, 58%) and Bhujia (INR79b), is regionally diverse and concentrated, with 10 organized players capturing ~70%, led by Haldiram (~33%).

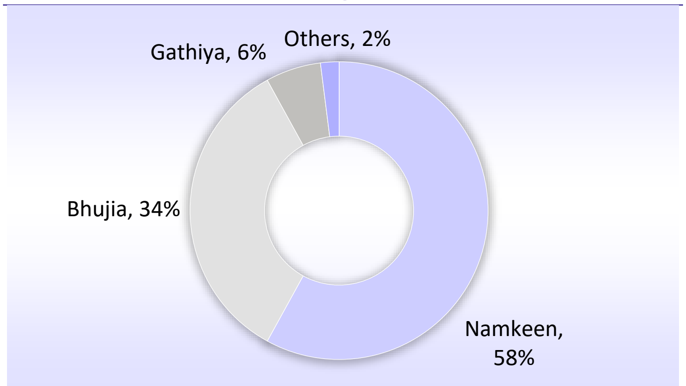
The Indian Ethnic Snacks segment is richly diverse and regionally distinctive, valued at INR135b for Namkeen, the largest category with a 58% share. Namkeen includes regional favorites like Mathri and Murukku, with mixtures comprising 45-50% of this market. Bhujia, the second-largest category at INR79b, is concentrated in North and West India, primarily Bikaneri and Aloo Bhujia, which cover 85% of the Bhujia market. Gathiya, a traditional favorite in Gujarat, accounts for INR14b. This segment thrives on regional preferences, cultural diversity, and rising demand for authentic ethnic snacks in India's expanding packaged food market. The South is known for Murukku and Banana Chips; the East prefers Chanachur and Nimki, while in the West, Chiwda and Chakli dominate.

Exhibit 19: Org. Ethnic expected to grow 12.0% CAGR (INRb)



Source: Frost & Sullivan Analysis, MOFSL

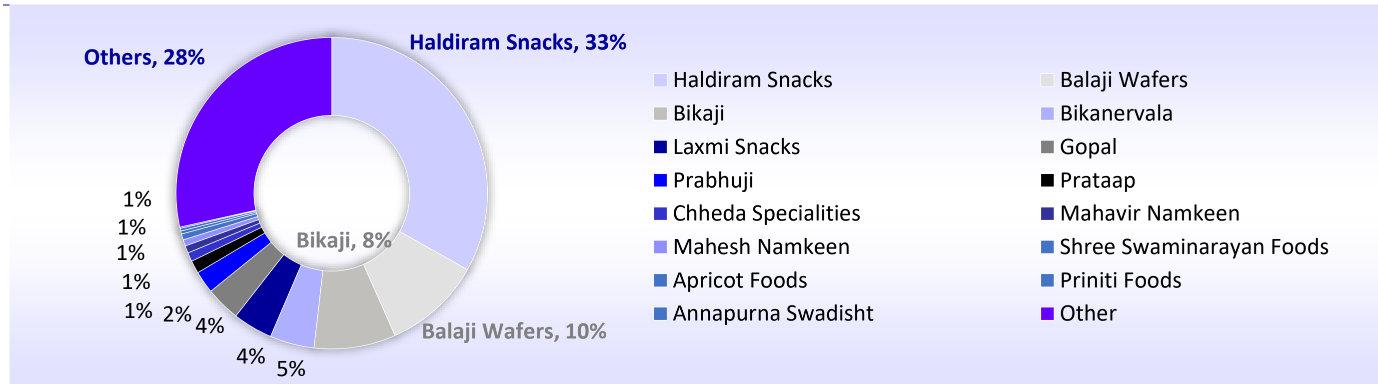
Exhibit 20: Namkeen is the largest contributor in Ethnic



Source: Frost & Sullivan Analysis, MOFSL

In the ethnic snacks segment, the top 5/10 players account for ~60/70% of the organized market share. Haldiram is the dominant leader with a ~33% market share. Other significant players include Balaji Wafers (~10%), BFL (~8%), Bikanervala (~5%), and Laxmi Snacks (~4%). This concentrated market structure reflects strong brand dominance and consumer loyalty in the ethnic snacks category, with key players leveraging regional preferences and extensive distribution networks to consolidate their positions in the growing organized segment.

Exhibit 21: Ethnic snacks – Market share for organized players

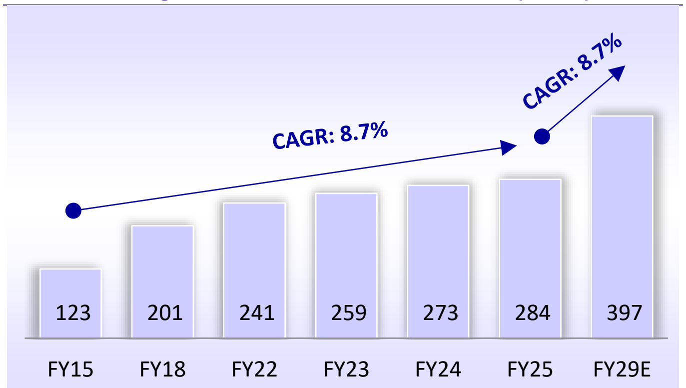


Source: Frost & Sullivan Analysis, MOFSL

Western snacks (55% of the organized market)

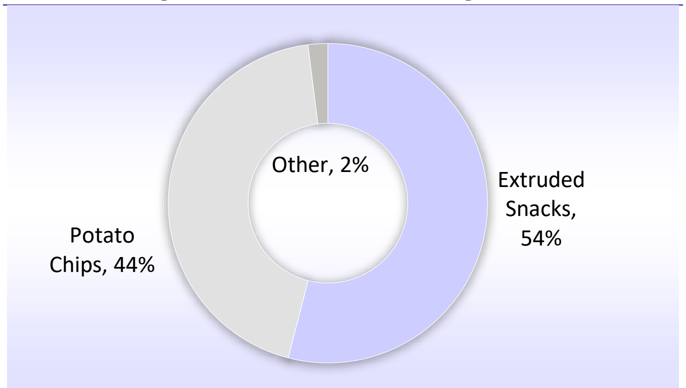
The Western snacks segment in India is primarily divided into two major categories, with extruded snacks leading at INR153b, constituting ~54% of the segment, and Potato Chips with ~44% share. Within extruded snacks, five sub-categories exist, with snack pellets at INR77b being the largest. The category benefited from strong post-pandemic growth driven by increased grammage amid inflation. The chulbule and kurkure sub-category, valued at INR28b, enjoys nationwide popularity, fueled by continuous innovation and rising demand for spicy and hot flavors. Puffs/Balls contributes ~8% of extruded, while the Rings sub-category has experienced a sharp decline in demand recently.

Exhibit 22: Organized Western snacks market (INR b)



Source: Frost & Sullivan Analysis, MOFSL

Exhibit 23: Org. Western snacks market segmentation

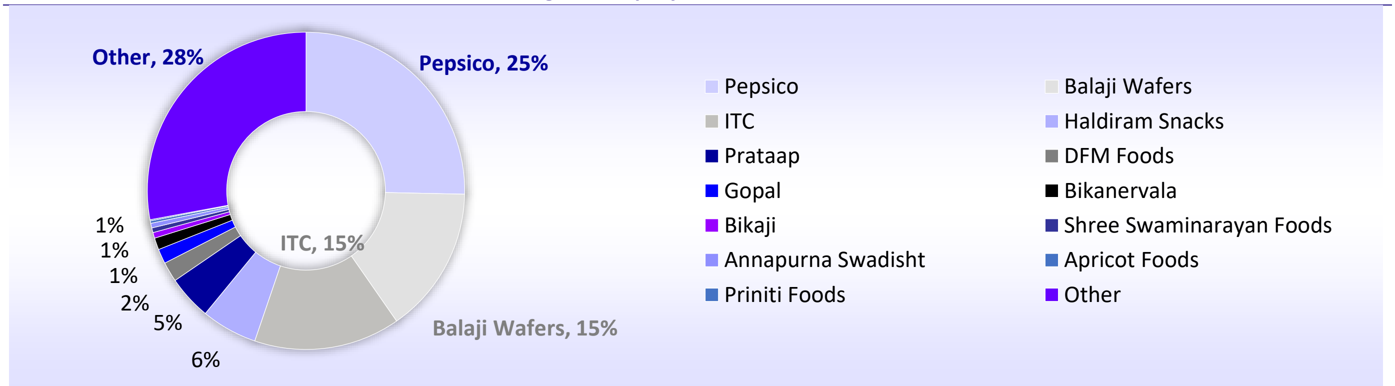


Source: Frost & Sullivan Analysis, MOFSL

The Western snacks segment is led by extruded snacks (INR153b, 54%) and dominated by PepsiCo (~25%), ITC, and Balaji Wafers (~15% each).

The Western snacks segment in India has lagged in growth over the past decade, primarily due to its long-standing organization, which limits formalization-driven expansion. PepsiCo leads the segment with a ~25% market share, supported by brands like Lay's, Kurkure, Doritos, and an extensive distribution network. ITC and Balaji Wafers each hold around a 15% share, with ITC gaining traction since entering in 2007. The top five players collectively control ~65% of the segment. PSL has a notable presence, while newer entrants like BFL and GSL have limited market share as they build their foothold.

Exhibit 24: Western snacks – Market share for organized players



Source: Frost & Sullivan Analysis, MOFSL

Product portfolio, pricing, and margins (MOFSL Coverage Universe)

BFL and GSL predominantly focus on ethnic savories, comprising over 50% of their product portfolios, while PSL emphasizes western snacks. Ethnic snacks have outperformed Western snacks in growth over the past 2–3 years due to shifting consumer preferences favoring traditional flavors, higher grammage offerings that provide better value amid inflation, and aggressive distribution expansion by ethnic snack manufacturers. This trend highlights the dynamic market where ethnic snacks are capturing increased consumer attention and market share in snacks industry.

Exhibit 25: Product (category-wise) contribution – peer comparison (FY25)

	Ethnic Snacks	Western Snacks	Papad	Sweets	Others
BFL	68%	6%	8%	13%	4%
GSL	52%	30%	3%	-	14%
PSL	18%	76%	-	2%	3%

Source: Company, MOFSL

BFL and GSL focus predominantly on ethnic savories, with BFL leveraging family packs and stronger brand equity for higher margins, while PSL and GSL rely more on impulse-driven purchases.

BFL earns better margins from larger family packs compared to impulse packs and has been more successful in scaling family-pack sales through stronger brand equity, outperforming PSL and GSL. Western snacks are mostly driven by impulse purchases, accounting for about 80–90% of sales. GSL and PSL depend heavily on impulse sales, while BFL strategically focuses on growth via family packs, leveraging higher-margin products and deeper consumer loyalty through larger pack offerings.

Exhibit 26: Product (by price point) contribution – peer comparison (FY25)

	Impulse	Family packs
BFL	40%	60%
GSL	80%	20%
PSL	90%	10%

Source: Company, MOFSL

Our analysis indicates that the top 8–10 products account for over 50% of total sales across BFL, GSL, and PSL. For BFL, Bhujia is the standout second-largest category, with Bikaneri Bhujia as the flagship “hero” product. Namkeen is the largest category, featuring over 70 SKUs; key products such as Kuch Kuch, Soya Sticks, Navratana Mix, Nut Cracker, and Moong Dal contribute about 17% of overall sales. In sweets, Rosogolla, Soanpapdi, and Gulab Jamun dominate, making up ~85% of the sweets segment, which contributes roughly 11% to total revenue. Overall, BFL’s top 10 products together generate around 60% of its total sales.

For GSL, the top 8 products make up about 50% of total sales, with Gathiya as the flagship category. Within Gathiya, Bhavnagri and Papdi together account for roughly 70% of the segment, contributing about 19% to total revenue. In Namkeen, key items like Tikha Mitha Mix, Sev Murmura, and Sev Namkeen constitute ~15% of total sales. In Snack Pellets, hero products such as Chowkadi and Masala Cup contribute around 7% to overall revenue, highlighting their role in the company’s product portfolio and revenue mix.

For PSL, the top 10 products represent over 50% of total sales, with Chulbule as the flagship product contributing ~16%. Rings account for about 9% of sales and are especially popular among school children. Snack Pellets, which contribute around 28% of total revenue, feature key SKUs like Katori, Wheel, and Pipes. In the

Namkeen category, products such as Moong Dal, Aloo Bhujia, Punjabi Tadka, Tasty Peanut, and Ratlami Sev collectively contribute roughly 14% of total sales, underscoring the brand's diversified portfolio focus.

Exhibit 27: Hero products and their contributions (FY25)

BFL		GSL		PSL	
Hero Products	**Contribution**	**Hero Products**	**Contribution**	**Hero Products**	**Contribution**
Bikaneri Bhujia	25%	**Gathiya**		**Chulbule**	16%
Namkeen		Bhavnagari	19%	**Pellets**	
Kuch Kuch	17%	Papdi		Katori	7%
Soya Sticks		**Namkeen**		Wheel	3%
Navrattan		Tikha Mitha Mix	15%	Pipes	1%
Nut Cracker		Sev Murmura		**Rings**	9%
Moong Dal		Sev Namkeen		**Namkeen**	
Sweets		**Snack Pellets**		Moong Dal	14%
Rasgulla	11%	Chowkadi	7%	Aloo Bhujia	
Soan Papdi		Masala Cup		Punjabi Tadka	
Gulab Jamun		**Wafers**	8%	Tasty Peanut	
Western Snacks				Ratlami Sev	
Chips	6%				
Total	**60%**		**50%**		**50%**

Source: Company, MOFSL

Snack companies within our coverage operate at ~45–50% capacity utilization, with ethnic-focused players like BFL and GSL targeting ~65–70% by FY29 and PSL aiming for 75% by FY27.

Within the coverage universe, snack companies operate at ~45–50% capacity utilization. PSL leads with the highest utilization, exceeding 55%, while GSL records the lowest at around 40%. Due to these moderate utilization levels, no significant capital expenditure (capex) is anticipated across the sector in the near term, suggesting a focus on optimizing existing operations rather than capacity expansion.

In case of BFL, Palm oil and Moth dal (Turkish beans) form the bulk of raw material costs, indicating a strong dependence on core inputs for traditional namkeen and bhujia products. For GSL also, Palm oil and Chana (Gram) are key cost drivers, together accounting for ~50% of the raw material cost. PSL has a relatively diversified raw material mix, with palm oil and packaging materials accounting for ~46% of rm cost.

Exhibit 28: Raw materials and their contribution to RM cost – peer comparison (%)

	Raw material	Contribution to RM cost
BFL	Palm Oil	35
	Moth dal (Turkish beans)	28
	Masala	8
	Packaging laminates	11
GSL	Palm Oil	25
	Chana (Gram)	22
	Packaging laminates	17
PS	Palm Oil	16
	Laminated boxes	16
	Corrugated boxes	14

Source: Company, MOFSL

Ethnic snacks achieve higher margins compared to Western snacks, with a gross margin gap of ~300–400bp. At the operating level, the margin difference widens to 600–800bp, largely due to higher freight costs associated with distribution. BFL reports the highest margins, supported by a larger share of family packs, which generally yield better profitability. Conversely, PSL has the lowest margins, hit by a higher proportion of impulse products and about 25% of sales derived from third-party sourcing, which entails 300–500bp lower margins compared to in-house manufacturing.

Exhibit 29: Product (category-wise) margins – peer comparison (%)

	Product	Gross Margin	EBITDA Margin
BFL	Bhujia	32-35	15-16
	Namkeen	32-35	15-16
	Sweets	38-40	19-20
	Western Snacks	27-28	8-9
	Papad	30-32	13-14
GSL	Gathiya	25-28	15
	Namkeen	25-28	15
	Snack Pellets	30	5-7
	Wafers	30	15
PSL	Rings	40	11-12
	Chulbule	35	10-11
	Chips	32	7-8
	Pellets	30	5-6
	Namkeen	28	4-5
	Cakes	35-40	13-14

Source: Company, MOFSL

Region-wise savory market

India's savory snacks market is highly concentrated regionally, with the top six states contributing ~55-56% of total revenues. Maharashtra leads, followed by Uttar Pradesh and Gujarat, collectively accounting for about 34% of the market. Region-wise, the North holds the largest share at 38%, driven by populous states with strong ethnic snacking cultures. The West region contributes 31%, supported by Maharashtra and Gujarat's urban consumer base. The South and East account for 16% and 15%, respectively, reflecting growing but relatively smaller markets. This regional concentration highlights key opportunities for targeted product innovation and distribution strategies to penetrate emerging markets while consolidating leadership in established strongholds. Understanding these geographic dynamics is critical for shaping marketing, supply chain, and growth plans to capture the expanding demand for value-added savory snacks across India.

According to our analysis, India's per capita monthly spending on savory snacks currently stands at INR52, or ~0.25% of nominal per capita GDP, assuming a per capita income of USD2,880. Driven by accelerating urbanization, rising preference for convenient foods, and an increasing share of working women, we estimate this consumption to reach INR70 by FY29, reflecting a strong ~8% CAGR. This robust growth outlook is supported by sustained consumption tailwinds and ongoing category formalization, positioning the savory snacks segment well for long-term expansion. The shift towards organized players further underlines the evolving market dynamics, highlighting significant opportunities for innovation, distribution expansion, and premiumization across India's diverse consumer base.

Exhibit 30: Savory snacks market by state (FY25) and region-wise market share by coverage companies

Region	State	Total Savory Market (INR b)	GSL	BFL	PSL
	Rajasthan	63	1%	14%	2%
	Delhi NCR	66	NM		2%
	UP	101	1%		1%
	Punjab	37		1%	
North	Haryana	45	NM		3%
	HP	14			
	UK	7	NM		
	J&K	5			
	Total	**338**	**NM**	**3%**	**1%**
	Region share	**38%**			
	West Bengal	31	NM		4%
	Assam, Chhattisgarh	18	1%	24%	1%
	Bihar	32		14%	2%
East	Jharkhand	19	1%		
	Odisha	13	NM		
	Seven States	21			
	Total	**134**	**NM**	**7%**	**1%**
	Region share	**15%**			
	Gujarat	97	10%		2%
	Maharashtra	105	2%		2%
West	MP	65	1%		3%
	Goa	10	NM		
	Total	**276**	**4%**		**2%**
	Region share	**31%**			
	Karnataka	35	NM	**2%**	
	TN	34			
	AP	22			3%
South	Telangana	30	NM		
	Kerala	22			
	Total	**142**	NM		**3%**
	Region share	**16%**	**NM**		
Total		**890**	**2%**	**3%**	**2%**

Note: Highlighted area indicates combined market share in corresponding states, NM: Not Material, Source: Company, MOFSL

Exhibit 31: We estimate a 9% CAGR for savory snacks over FY25-29

	Population (m)	Savory Snacks TAM (INR b)	State wise-contribution	Per Capita consumption/month (INR)
MH	128.7	104.8	12%	68
UP	241.3	101.5	11%	35
GJ	73.5	96.6	11%	109
Delhi-NCR	22.3	65.7	7%	246
MP	89.0	64.8	7%	61
RJ	85.4	62.6	7%	61
Other States	862.8	394.0	44%	38
Total FY25	**1417.5**	**890.0**	**100%**	**52**
FY29E	**1,484.8**	**1,250.3**		**70**

Source: Company, MOFSL

Within our coverage universe, PSL and GSL demonstrate a strong presence in the Western region, followed by the Northern region. In contrast, BFL's sales are heavily concentrated in the Northern region, with the Eastern region as its second-largest market. BFL's limited exposure to the Western region reflects a deliberate strategic choice by management, given the high competition and dominance of impulse packs there. All three companies derive roughly 50-60% of their revenue from their top three core states, while the top five states contribute over 70% of total sales. PSL stands out for its more diversified geographic footprint, supported by a wider distribution network that sees its top five states accounting for only about 51% of total sales. This strategic geographic spread positions PSL for more balanced growth across multiple markets compared to its peers.

Exhibit 32: Top 5 markets of listed peers and their contributions (FY25)

BFL		GSL		PSL	
State	**Contribution**	**State**	**Contribution**	**State**	**Contribution**
Rajasthan	34%	Gujarat	71%	Maharashtra	15%
Bihar	17%	Maharashtra	13%	MP	11%
Assam	17%	Uttar Pradesh	4%	Gujarat	9%
UP, Punjab, Haryana	6%	Madhya Pradesh	4%	Uttar Pradesh	8%
		Rajasthan	3%	Haryana	7%
Total	**74%**		**95%**		**51%**

Source: Company, MOFSL

North and West regions drive snacking consumption

North and Western India are the most favorable regions for savory snack players due to their high consumption of packaged snacks, which accounts for over 65% of the country's total. These regions also offer strategic advantages and access to raw material availability crucial for snack production, including moth dal, chana dal, besan, maida, potatoes, and edible oils. Moth dal is predominantly sourced from Northern states like Rajasthan and Haryana. Chana dal and besan are widely available in both Northern and Western states, including Rajasthan, Haryana, Madhya Pradesh, Maharashtra, Uttar Pradesh, and Karnataka. Potato cultivation is concentrated in Uttar Pradesh, West Bengal, Gujarat, Punjab, and Bihar. Establishing manufacturing facilities in these regions helps companies optimize procurement and transportation costs, enhancing supply chain efficiency and competitive positioning in the snack industry.

Distribution and margin profile

India’s savory snacks retail universe (~7.5m outlets) is concentrated in five states (~53% reach).

According to industry participants, the total FMCG retail universe is estimated to encompass ~12m outlets, with food retailers constituting around 7-8m of these. As of June 2023, Nielsen reports that the savory snacks retail universe comprises ~7.5m outlets. The top five states – Uttar Pradesh, Maharashtra, Bihar, Gujarat, and Karnataka – account for about 53% of this total reach, reflecting their significant contribution to snack distribution and consumption. Haldiram leads the market with one of the most extensive distribution networks, covering ~50% of India's distribution and retail base. Other major players such as ITC, Pepsi, Balaji, PSL, and BFL also maintain robust regional or national footprints, contributing to the competitive landscape within the savory snacks segment across India. This distribution landscape underscores the criticality of reach combined with tailored strategies for market penetration and growth momentum.

- BFL enjoys substantial growth potential, underpinned by its strong brand recognition across India. The management’s expansion strategy focuses primarily on deepening penetration in its core markets of Bihar and Assam, which form the foundation of its business. This will be complemented by targeted growth initiatives in its focus markets, including Uttar Pradesh, Punjab, and Haryana. This deliberate prioritization aims to consolidate market share in high-potential regions while leveraging BFL’s pan-India brand equity to drive sustained business expansion.
- GSL remains predominantly recognized as a Western region-focused brand. However, management has shifted strategic emphasis towards expanding the company’s footprint in Uttar Pradesh, aiming to capture growth opportunities in this high-potential market. This shift signals a broader intent to diversify geographic revenue sources while strengthening penetration beyond the traditional Western stronghold.

- PSL has a strong, established presence in Madhya Pradesh, Maharashtra (specifically Mumbai and Pune), Delhi, Haryana, and Assam. The company is actively expanding its reach into key markets such as Uttar Pradesh, Bihar, and West Bengal. In recent years, rather than focusing on increasing the number of retail outlets, management has opted to maintain a stable retailer reach while prioritizing higher revenue throughput per outlet. This strategic emphasis reflects a shift towards deeper market penetration and maximizing sales productivity within existing distribution channels.

Exhibit 33: Distribution Network – peer comparison

	BFL	GSL	PSL
Distributors	823	858	1,800
Total Distributors	2,700	965	5,200
Direct Reach (in '000)	329	333	775
Total Reach (in '000)	1,234	500	2,500

Source: Company, MOFSL

Exhibit 34: Total retail coverage for snacking companies (‘000)

<table>
<tr><th></th><th>Total Retailers</th><th>Haldiram's</th><th>BFL</th><th>GSL</th><th>PSL</th></tr>
<tr><td>Rajasthan</td><td>400</td><td>-</td><td>350</td><td>13</td><td rowspan="3">500</td></tr>
<tr><td>Bihar</td><td>640</td><td>301</td><td>275</td><td></td></tr>
<tr><td>Uttar Pradesh</td><td>1,787</td><td>1,172</td><td>125</td><td>14</td></tr>
<tr><td>Assam</td><td>268</td><td>55</td><td>180</td><td rowspan="3"></td><td rowspan="5">950</td></tr>
<tr><td>Delhi NCR</td><td>201</td><td>192</td><td rowspan="16">304</td></tr>
<tr><td>Haryana</td><td>172</td><td>143</td></tr>
<tr><td>Maharashtra</td><td>710</td><td>203</td><td>95</td></tr>
<tr><td>Madhya Pradesh</td><td>408</td><td>245</td><td>24</td></tr>
<tr><td>Punjab</td><td>202</td><td>140</td><td></td><td rowspan="12">1,050</td></tr>
<tr><td>Karnataka</td><td>428</td><td>130</td><td>2</td></tr>
<tr><td>Chhattisgarh</td><td>198</td><td>179</td><td>3</td></tr>
<tr><td>Andhra Pradesh</td><td>278</td><td>200</td><td rowspan="7">104</td></tr>
<tr><td>Orissa</td><td>267</td><td>190</td></tr>
<tr><td>Telangana</td><td>203</td><td>172</td></tr>
<tr><td>Jharkhand</td><td>201</td><td>109</td></tr>
<tr><td>Uttarakhand</td><td>102</td><td>83</td></tr>
<tr><td>Tamil Nadu</td><td>400</td><td>79</td></tr>
<tr><td>Himachal Pradesh and Jammu & Kashmir</td><td>75</td><td>69</td></tr>
<tr><td>Gujarat</td><td>450</td><td>31</td><td>245</td></tr>
<tr><td>Kerala</td><td>141</td><td>17</td><td></td></tr>
<tr><td>Total</td><td>7,531</td><td>3,710</td><td>1,234</td><td>500</td><td>2,500</td></tr>
</table>

Note: Highlighted area indicates combined retailers in corresponding states, Source: Nielsen Reports, MAT Jun 23, Company, MOFSL

Distributor margins across snack companies typically range between 6% and 10%, with BFL positioned at the lower end of this spectrum and PSL offering the highest margins. At the retail level, average margins stand around 16–18%, although PSL extends a higher margin of ~20%. It's also common for players to provide incremental incentives or enhanced margins to facilitate market entry and expansion. However, BFL differentiates its strategy by emphasizing superior service quality and relationship management with distributors and retailers, rather than competing primarily through margin increments. This service-centric approach is aimed at fostering stronger loyalty and long-term partnerships within its distribution network.

Distributor margins across snack companies range from 6% to 10%, and retailer margins range from 16% to 18%.

GSL employs a competitive margin structure designed to incentivize both distributors and retailers while balancing profitability. Distributors receive a 10% margin on wafer products and 7% on other categories. Retailer margins are SKU-priced and differentiated, with 18% margin on INR5 products, 20% on INR10 SKUs, and ~25% on wafer products. This tiered margin strategy provides attractive incentives across the value chain, encouraging strong sales performance and channel commitment while sustaining healthy margins for the company.

PSL originally operated a three-tier distribution model comprising super stockists, distributors, and retailers, achieving pan-India reach. Under this model, super stockists received ~3% margin along with a 3% secondary freight allowance. In FY22, the company transitioned to a streamlined two-tier distribution system by eliminating the super stockist layer. This shift involved increasing distributor margins from 8% to 10% to compensate for the change. Management anticipates that going forward, distributor margins will normalize to around 9.5%, reflecting efficiency gains and structural adjustments within the distribution network.

Exhibit 35: Distributor/Retailer margins offered by peers

	BFL	GSL	PSL
Distributor margin	6-7%	7%	10%
Retailer margin	16%	18%	20%

Source: Company, MOFSL

Within our coverage universe, BFL delivers the highest gross margin, ~400bp above the peer average. This margin advantage stems from a higher proportion of family packs (about 60%) in its portfolio and comparatively lower distributor and retailer margins, providing a strong margin cushion. In contrast, GSL operates at the lower end of the gross margin spectrum. Despite PSL being a national player, it maintains a gross margin of below 30%, primarily hindered by higher channel margins and operational inefficiencies at its Indore manufacturing facility. These factors collectively hurt PSL's margin profile relative to its peers.

Exhibit 36: Unit economics of INR5 snacks pack (INR)

	BFL	GSL	PSL
MRP	5.00	5.00	5.00
Retail Profit	0.69	0.76	0.83
Retailer Margin	16.0%	18.0%	20.0%
Price to Retail	4.31	4.24	4.17
GST @5%	0.21	0.20	0.20
Dealer Taxable Value	4.11	4.03	3.97
Distributor Profit	0.25	0.26	0.36
Distributor Margin	6.5%	7.0%	10.0%
Net sales/Price to Distributor	3.86	3.77	3.61
Gross Profit	1.27	0.94	1.06
Gross Margin	33.0%	25.0%	29.5%

Source: Company, MOFSL

India's snacks sector has seen strong M&A, especially in healthy snacking, with investors backing regional brands like Haldiram (recently valued at INR933b, EV/Revenue ~7.5x FY25), as growing middle-class demand, brand loyalty, and quick-commerce adoption drive national and global scalability.

M&A activity

Food in India is deeply intertwined with cultural identity, with distinct regional specialties such as Kerala's banana chips, Indore's namkeens, and Gujarat's masala peanuts fostering strong brand loyalty. Private equity investors are increasingly bullish on scaling these regional favorites into national and global brands. With India's middle-class population projected to surpass 600m by 2030, the surge of quick commerce platforms is enhancing accessibility, transforming purchasing behavior, and accelerating market expansion.

Over the past decade, India's food sector has seen dynamic M&A activity, with the snacks category emerging as a key focus especially in the healthy snacking segment over the last five years. A significant recent example has been Temasek and Alphawave acquiring ~16% stake in Haldiram Snacks Food, valuing the company at an EV of INR933b. This valuation equates to an EV/revenue multiple of ~7.5x on FY25 figures, excluding its QSR business.

Exhibit 37: Deals in the Indian snacks industry

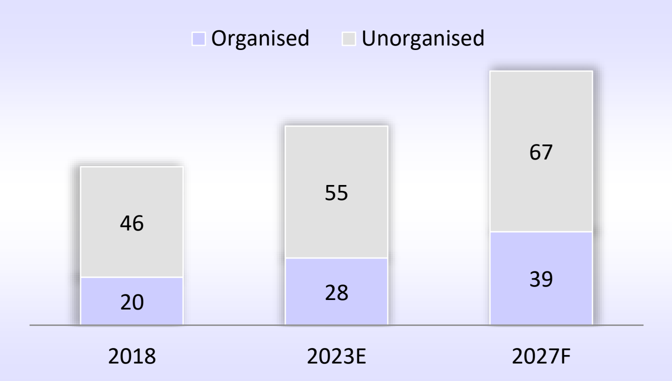
Company Name	Deal Date	Round Name	Investors/Buyers	Deal Size	Stake (%)	Post Money Valuation	EV/ Rev (x)
Balaji Wafers	11th Nov'25	Funding	General Atlantic	INR25b	7	INR425b	6.5*
Haldiram Group	31st Mar'25	Funding	Alpha Wave Global and IHC	INR56b	6	INR933b	7.5*
Haldiram Group	12th Mar'25	Funding	Temasek	INR85b	10	INR850b	6.8*
Haldiram Bhujiawala	8th Nov'24	Funding	Bharat Value Fund	INR2b	10	INR24b	4.7
Hazelnut Factory Food Products	17th Oct'24	Acquisition	BFL Retail	INR1b	53	INR6b	-
PSL	30th Sep'24	Acquisition	Authum Investment & Infrastructure, Mahi Madhusudan Kela	INR8b	47	INR18b	1.1
Ariba Foods	23rd Aug'24	Acquisition	BFL	INR605m	55	INR1b	3.2
Sproutlife Foods	30th Mar'24	Secondary	ITC	INR1.3b	25	INR6b	6.5
Ravi Foods	27th Mar'24	Secondary	-	INR428m	25	INR2b	-
Connedit Business (Farmley)	18th Aug'23	Series A1	Concatenate Advest Advisory, DSG Consumer Partners, Alkemi Venture Partners, Omnivore Partners, Lilyvale, Trifecta Capital	INR483m	15	INR3b	2.0
Guiltfree Industries (Too Yumm)	30th Ma'23	Rights	CESC Ventures	INR2b	17	INR12b	4.6
Unibic Foods India	5th Jan'23	Funding	Romila Sen	INR28m	0	INR11b	1.9
Gokul Snacks	10th Nov'22	Funding	Prafulbhai V Hadvani, Vinaben Prafulbhai Hadvani, Darshit Hadvani	INR100m	100	INR100m	-
Dharwad Big Mishra Pedha	5th Sep'22	Funding	Sanjay Ganesh Mishra, Pravesh Sohanraj Kothari, Shridhar Sheenappa Shetty, Samkit Dinesh Jain, Vikram Sheshmal Jain	INR125m	99	INR126m	-
Happilo International	21st Feb'22	Series B	Motilal Oswal Private Equity	INR2b	14	INR14b	9.7
Anmol	19th Apr'21	Secondary	-	INR517m	2	INR26b	2.0
SAJ Food Products	29th Mar'21	Secondary	Jayita Bose, Arpan Paul, Sharmistha Singh, Manjusri Paul	INR403m	31	INR1b	-
Priniti Foods	2nd Nov'20	Series A (Debenture)	India SME Investments	INR120m	11	INR1b	1.7

Note: *Balaji & Haldiram EV/Rev based on FY25, Source: Company, MOFSL

Indian papad market

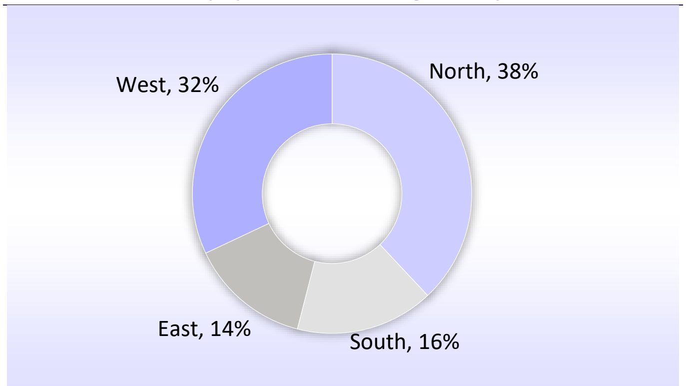
The Indian papad market was valued at ~INR83b in FY23 and is projected to grow to around INR106b by FY27, reflecting a CAGR of 6.3%. The organized segment, which currently accounts for INR28b, or 34% of the total market, is expected to expand at a faster CAGR of 8.2%. The unorganized segment remains dominant, valued at INR55b, and is driven partly by the active participation of women's self-help groups. Papads are made using cereals, pulses, and potatoes and are available in various forms such as urad papad, garlic papad, and kali mirch papad, catering to diverse consumer tastes and preferences.

Exhibit 38: Papad market structure in India (INR b)



Source: Frost & Sullivan Analysis, MOFSL

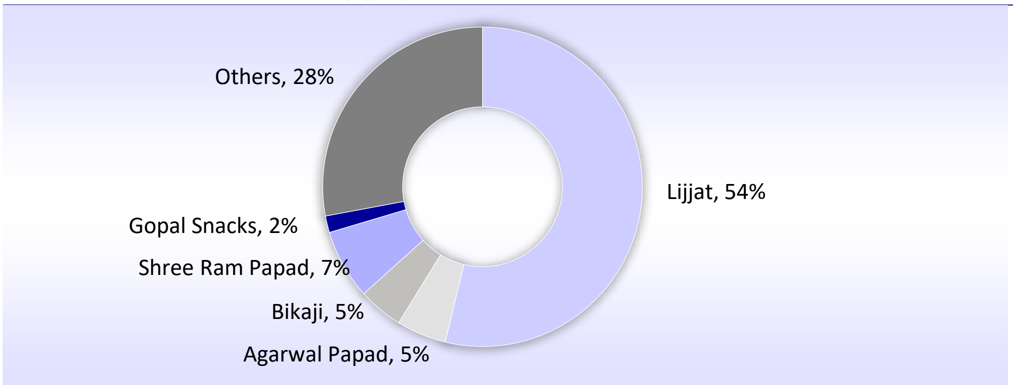
Exhibit 39: Indian papad market – regional split



Source: Frost & Sullivan Analysis, MOFSL

The northern region holds the largest share of the Indian papad market at 38%, valued at ~INR32b, followed by the western region with 32% (INR27b). The Eastern region represents the smallest segment, accounting for 14% or INR12b. While the organized segment has seen a gradual increase in market share over time, the unorganized sector continues to dominate.

Exhibit 40: Market share for top players (FY24)



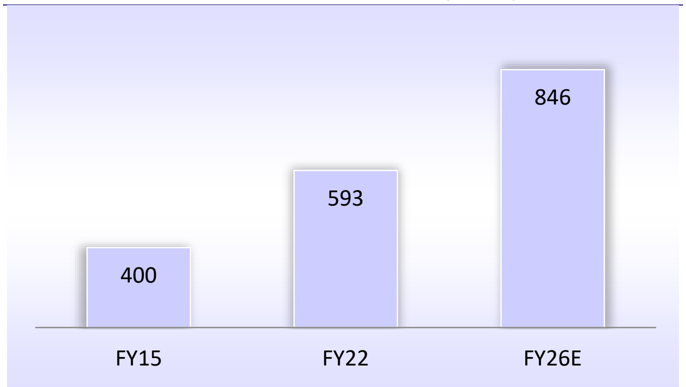
Source: Frost & Sullivan Analysis, MOFSL

The organized segment of the Indian papad industry is predominantly concentrated in Maharashtra, Tamil Nadu, and Gujarat. Lijjat emerges as the market leader, commanding a significant 54% share of the organized segment in FY24. The top five players collectively account for over 70% of the industry's market share. Key competitors alongside Lijjat include Shree Ram Papad with 7%, Agarwal Papad at 5%, BFL holding a 5% share, and GSL at 2%.

Indian sweet market

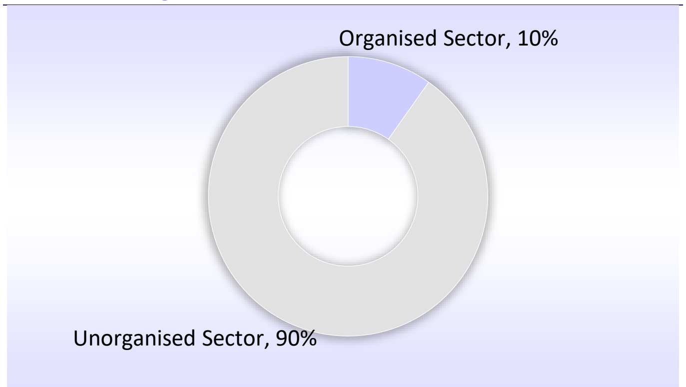
The Indian sweets market was valued at ~INR593b in 2022, with the unorganized sector dominating nearly 90% of the market (INR535b). This segment consists largely of standalone mithai shops offering traditional and regional sweets such as Gulab Jamun, Rasgulla, and various types of Barfis. The market is projected to grow to INR846b by 2026, driven primarily by strong cultural demand and widespread consumption during festivals and family occasions. However, rising hygiene awareness, especially post-COVID, coupled with concerns regarding adulteration and increased input costs in open sweets, has shifted consumer preference towards packaged sweet options that provide longer shelf life and greater ingredient transparency.

Exhibit 41: Indian sweets – market size (INR b)



Source: Frost & Sullivan Analysis, MOFSL

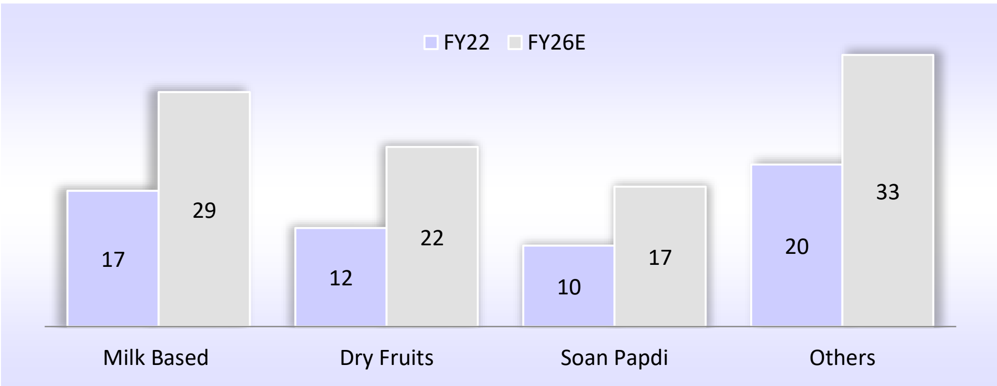
Exhibit 42: Organized share for sweets at ~10% in FY22



Source: Frost & Sullivan Analysis, MOFSL

The organized Indian sweets market is valued at ~INR58b and covers categories such as milk-based sweets, Soan Papdi, dry fruit sweets, and other varieties like ladoos. Leading players in this space include Haldiram, BFL, and Bikano. Milk-based sweets are expanding rapidly with a CAGR of 15%, projected to grow to INR29b by 2026. Similarly, Soan Papdi and dry fruit sweets are experiencing robust growth at 15% and 16% CAGR, respectively. The organized segment's growth is bolstered by improved packaging, adherence to food safety norms like FSSAI regulations, and increasing consumer demand for hygienic, standardized, and quality-controlled products.

Exhibit 43: Category-wise organized sweets market (INR b)



Source: Frost & Sullivan Analysis, MOFSL

Peer comparison – Financials of savory snack companies

Revenue growth and scale of operations

The Indian savory snacks market continues robust growth, led by expanded distribution and innovation. BFL has shown strong momentum, with revenues rising from INR13.1b in FY21 to INR23.3b in FY24. PSL grew modestly to INR16.2b, while GSL remained steady at INR14.6b. Larger players like PepsiCo India (INR90.9b), Haldiram (INR68.0b), and Balaji Wafers (INR54.5b) maintain market dominance. Emerging brands such as Aakash Global and Guiltfree Industries are scaling rapidly, reflecting a dynamic and expanding market where both established and new players thrive.

Exhibit 44: Revenue (INR m)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Pepsico	78,102	67,085	65,529	61,061	62,529	54,346	52,510	63,858	82,032	90,966
YoY Growth (%)	-	-14.1	-2.3	-6.8	2.4	-13.1	-3.4	21.6	28.5	10.9
Haldiram Snacks	17,700	19,964	24,487	26,227	30,938	37,254	42,336	51,954	63,746	65,604*
YoY Growth (%)	-	12.8	22.7	7.1	18.0	20.4	13.6	22.7	22.7	2.9
Balaji Wafers	12,457	14,055	16,130	18,400	19,723	23,360	29,386	40,029	49,249	54,537
YoY Growth (%)		12.8	14.8	14.1	7.2	18.4	25.8	36.2	23.0	10.7
Haldriam Foods International	14,210	15,908	21,022	20,476	24,803	26,892	29,185	35,492	41,052	45,508
YoY Growth (%)	-	11.9	32.2	-2.6	21.1	8.4	8.5	21.6	15.7	10.9
BFL	-	-	-	-	9,014	10,746	13,107	16,110	19,661	23,293
YoY Growth (%)	-	-	-	-	-	19.2	22.0	22.9	22.0	18.5
PSL	-	-	8,940	10,174	11,706	13,938	11,711	13,966	16,529	16,179
YoY Growth (%)	-	-	-	13.8	15.1	19.1	-16.0	19.3	18.4	-2.1
GSL	-	-	-	-	-	-	11,288	13,522	13,947	14,025
YoY Growth (%)	-	-	-	-	-	-	-	19.8	3.1	0.6
Bikanervala Foods	4,926	5,315	6,739	7,871	9,501	10,403	9,856	10,176	12,106	13,163
YoY Growth (%)	-	7.9	26.8	16.8	20.7	9.5	-5.3	3.2	19.0	8.7
Laxmi Snacks	2,849	3,081	3,623	4,146	4,720	5,181	5,819	7,656	8,453	8,848
YoY Growth (%)	-	8.1	17.6	14.4	13.8	9.8	12.3	31.6	10.4	4.7
DFM Foods	2,893	3,895	3,419	4,253	4,836	5,079	5,241	5,545	5,861	5,536
YoY Growth (%)	-	34.7	-12.2	24.4	13.7	5.0	3.2	5.8	5.7	-5.6
Haldiram Bhujiawala	2,669	2,955	3,222	3,305	3,943	3,699	3,023	3,769	4,724	4,965
YoY Growth (%)	-	10.7	9.0	2.6	19.3	-6.2	-18.3	24.7	25.3	5.1
Guiltfree Industries				1,892	3,584	2,876	2,608	3,471	4,234	4,678
YoY Growth (%)	-	-	-	-	89.5	-19.8	-9.3	33.1	22.0	10.5
Aakash Global Foods	588	660	899	1,612	2,093	2,787	3,607	3,648	4,119	4,440
YoY Growth (%)	-	12.3	36.2	79.3	29.8	33.2	29.4	1.1	12.9	7.8
Kishlay Foods	141	150	152	258	1,731	2,381	2,941	3,194	3,353	3,434
YoY Growth (%)	-	6.3	1.3	69.9	570.3	37.5	23.5	8.6	5.0	2.4
Anand Sweets and Savouries						1,042	933	1,550	2,307	2,866
YoY Growth (%)	-	-	-	-	-	-	-10.5	66.2	48.9	24.2

*Note: Haldiram Snacks Food Pvt. Ltd FY24 – Revenue at INR111.1b (ex-QSR business), Source: MCA, MOFSL

Gross margin

In the Indian savory snacks industry, a gross margin of ~35% and an EBITDA margin of ~15% are considered among the highest levels achievable, with only a select few players operating beyond these thresholds. Due to intense competition, most companies channel excess margin into advertising and promotions to capture market share. PepsiCo is a notable outlier, sustaining superior margins through premium pricing and formidable brand equity, while DFM Foods also stands out as a margin performer.

Among covered companies, BFL exhibits the strongest and most consistent gross margin, improving from 28.5% in FY21 to 35.2% in FY24 before moderating to 32.3%

in FY25. PSL experienced margin volatility, rebounding sharply to 33.4% in FY24 but slipping to 27.2% in FY25. GSL, starting from a lower base, has steadily improved its margin to 28.5% in FY24, reflecting operational efficiencies. This margin profile helps delineate competitive positioning and financial health within an evolving competitive landscape.

Exhibit 45: Gross margin (%)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Pepsico	48.9	53.9	51.4	50.5	48.6	47.8	45.7	44.7	44.9	50.2
Haldiram Snacks	38.5	39.1	36.0	39.6	38.6	35.4	33.6	31.1	34.2	NA
Balaji Wafers	20.7	28.8	24.4	26.9	22.2	21.2	15.3	12.7	20.2	23.5
Haldriam Foods International	29.2	34.3	36.4	36.6	35.5	34.7	33.4	28.5	29.0	34.2
BFL	-	-	-	-	28.5	30.7	28.5	27.4	29.0	35.2
PSL	-	-	30.0	32.5	29.9	28.6	28.0	25.8	27.9	33.4
GSL	-	-	-	-	-	-	18.5	20.6	28.4	28.5
Bikanervala Foods	39.4	41.2	40.6	42.0	40.6	38.5	37.8	31.9	31.0	34.6
Laxmi Snacks	20.7	26.2	18.5	23.2	21.4	19.8	15.2	13.8	24.7	26.9
DFM Foods	39.3	38.9	39.1	39.9	41.3	39.9	40.5	37.1	38.9	43.7
Haldiram Bhujiawala	26.1	28.9	28.4	33.0	35.2	38.0	33.7	32.3	33.2	37.3
Guiltfree Industries			1.9	28.3	28.6	28.4	29.1	26.5	28.8	35.5
Aakash Global Foods	35.4	37.8	N/A	31.1	25.5	22.8	20.7	18.8	22.2	25.9
Kishlay Foods	22.4	19.6	-7.8	-8.5	31.5	34.3	31.3	29.2	31.0	33.6
Anand Sweets and Savouries	-	-	-	-	-	33.1	33.4	39.4	36.7	37.2

Note: N/A indicates data not available, Source: MCA, MOFSL

EBITDA margin

BFL demonstrates the strongest and most consistent EBITDA margin performance among the coverage companies, improving from 11.0% in FY21 to 16.8% in FY24 before moderating to 12.5% in FY25 – a reflection of effective cost management and operational leverage. GSL showed marked improvement from 5.2% in FY21 to 14.1% in FY23 but experienced volatility, with its margin contracting to 7.2% in FY25. PSL exhibits the lowest and most unstable EBITDA margin, peaking at 8.7% in FY24 before sharply declining to 2.85% in FY25. Larger peers such as Haldiram (21% in FY24), Balaji, and PepsiCo India report mid-to-high teens EBITDA margin, positioning them as outperformers. Within this competitive landscape, BFL remains the most resilient and profitable among the coverage set, while PSL faces sustainability challenges.

Exhibit 46: EBITDA margin (%)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Pepsico	1.1	2.5	2.5	6.4	5.2	5.1	6.3	4.5	8.1	15.6
Haldiram Snacks	15.8	9.2	11.0	21.3	17.0	14.6	14.6	12.2	15.1	NA
Balaji Wafers	12.0	20.4	15.0	17.9	12.7	10.3	5.0	3.8	13.2	15.7
Haldiram Foods International	10.1	14.6	15.4	18.8	19.5	16.9	18.5	14.0	14.6	17.3
BFL	-	-	-	-	10.3	8.8	11.0	8.7	10.9	16.8
PSL	-	-	4.7	8.5	7.1	6.7	5.4	4.2	3.8	8.7
GSL	-	-	-	-	-	-	5.2	7.0	14.1	12.0
Bikanervala Foods	9.0	10.2	9.6	11.3	9.9	7.9	10.3	5.8	6.9	10.7
Laxmi Snacks	16.4	13.5	7.4	11.4	8.8	6.8	2.2	0.8	11.4	9.7
DFM Foods	10.6	12.0	9.2	12.0	13.4	8.2	10.6	-3.1	-7.4	1.8
Haldiram Bhujiawala	7.6	8.5	8.9	9.9	8.9	11.2	13.6	11.6	6.1	5.9
Guiltfree Industries	-	-	-1,519.0	-40.6	-58.9	-70.3	-50.2	-53.8	-60.0	-42.6
Aakash Global Foods	12.7	10.7	N/A	7.0	5.9	4.5	4.6	2.8	3.5	6.9
Kishlay Foods	9.8	5.8	-26.8	-39.8	4.0	5.9	5.9	1.5	3.4	4.6
Anand Sweets and Savouries	-	-	-	-	-	9.5	4.8	7.1	7.6	7.7

Note: Haldiram Snacks Food Pvt.Ltd FY24 – EBITDA margin at 21%, N/A indicates data not available, Source: MCA, MOFSL

PAT margin

The PAT margin trends in the Indian snack and FMCG sectors over FY15–FY24 reveal a varied landscape. Leading players such as Haldiram and Laxmi Snacks consistently maintained a PAT margin of up to ~13%. PepsiCo India notably improved its margin trajectory, moving from negative or low margin to 9.7% by FY24. Mid-sized companies like Balaji Wafers and BFL exhibited significant margin recovery, signaling operational stabilization. Conversely, players like DFM Foods and Guiltfree Industries faced margin volatility and losses during this period. Overall, the industry reflects a spectrum of stable performers, recovering mid-sized firms, and smaller or newer entrants grappling with profitability. Haldiram, Balaji, and BFL emerge as clear outperformers in this competitive landscape.

Exhibit 47: PAT margin (%)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Pepsico	-2.0	-1.5	-1.8	3.3	0.2	8.0	3.3	0.7	3.3	9.7
Haldiram Snacks	7.2	2.8	7.8	9.6	11.2	8.1	8.9	6.6	9.3	NA
Balaji Wafers	6.1	12.9	9.0	10.5	6.5	5.7	0.9	0.2	8.3	10.6
Haldriam Foods International	6.4	9.2	11.3	12.4	12.9	12.5	13.0	10.0	10.6	13.1
BFL	-	-	-	-	5.7	5.2	6.9	4.7	6.4	11.3
PSL	-	-	2.2	4.3	3.8	3.4	1.2	1.2	1.2	3.3
GSL	-	-	-	-	-	-	1.8	3.1	8.1	7.1
Bikanervala Foods	4.0	4.2	4.6	5.8	4.8	2.6	3.6	2.8	1.7	3.5
Laxmi Snacks	9.6	7.2	2.5	6.1	4.3	5.0	0.4	-0.6	6.5	6.9
DFM Foods	3.8	6.4	5.3	5.5	6.8	4.8	5.5	-4.5	-10.7	-1.1
Haldiram Bhujiawala	3.8	4.5	4.8	5.0	4.2	3.2	3.6	3.3	0.4	0.7
Guiltfree Industries	-	-	-1,523.9	-28.5	-43.8	-60.8	-118.0	-68.1	-79.5	-63.6
Aakash Global Foods	5.7	5.4	N/A	3.3	2.9	2.2	2.8	1.2	1.6	4.1
Kishlay Foods	-3.2	-2.3	-9.0	-0.5	-4.5	-3.8	-2.6	-6.5	-3.4	-0.9
Anand Sweets and Savouries	-	-	-	-	-	6.0	0.4	3.0	3.6	3.5

Note: N/A indicates data not available, Source: MCA, MOFSL

ROE

GSL leads the coverage universe in ROE, rising sharply from 15.0% in FY21 to 48.0% in FY23 before moderating to 16.7% in FY25, showcasing strong equity returns. BFL delivers a steadier performance, improving from 15.9% in FY21 to 24.5% in FY24 and easing to 14.9% in FY25, indicative of consistent yet moderate shareholder returns. PSL lags notably, with volatile and negative ROE in FY25, reflecting weak equity efficiency. Overall, GSL exhibits the strongest ROE growth, BFL maintains stability, and PSL trails peers. Among larger players, PepsiCo, Balaji, and Aakash Global stand out as industry ROE outperformers.

Exhibit 48: ROE (%)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Pepsico	NA	NA	NA	7	0	13	5	1	8	22
Haldiram Snacks	25	9	24	25	26	17	17	13	18	0
Balaji Wafers	14	26	17	19	11	10	2	1	25	27
Haldriam Foods International	18	23	28	23	23	20	18	15	15	18
BFL	-	-	-	-	11	11	16	11	14	24
PSL	-	-	8	8	8	8	2	3	3	8
GSL	-	-	-	-	-	-	15	27	48	29
Bikanervala Foods	21	19	21	25	20	10	12	9	6	13
Laxmi Snacks	40	24	8	20	14	15	1	NA	26	23
DFM Foods	26	45	25	25	28	18	18	NA	NA	NA
Haldiram Bhujiawala	24	24	22	19	16	10	8	9	1	2
Guiltfree Industries	-	-	NA	NA	NA	NA	NA	NA	NA	NA
Aakash Global Foods	33	26	6	28	24	20	26	9	12	28
Kishlay Foods	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Anand Sweets and Savouries	-	-	-	-	-	NA	NA	NA	NA	NA

Source: MCA, MOFSL

Free Cash Flow (FCF)

BFL demonstrates strong and relatively stable FCF, generating INR435m in FY21, temporarily dipping to a negative INR504m in FY22, then rebounding to INR1,184m in FY24, and moderating slightly to INR725m in FY25, reflecting robust operational cash conversion. PSL exhibits notable volatility in FCF, ranging from INR483m in FY21 to negative INR33m in FY23 and further down to negative INR141m in FY25. These fluctuations indicate inconsistent cash generation. GSL displays a mixed cash flow profile, with negative FCF in FY21 and FY22, recovery to INR962m in FY23, followed by another decline to negative INR154m in FY25, highlighting irregular liquidity patterns. Among the broader industry peers, PepsiCo, Balaji, and Haldiram stand out as consistent free cash flow generators, underscoring financial stability and operational efficiency within these leading companies.

Exhibit 49: FCF (INR m)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Pepsico	-1,793	-2,463	-5,713	5,512	1,944	-3,411	-2,651	1,656	1,963	4,856
Haldiram Snacks	721	839	714	1,089	-2,293	-702	773	2,036	4,661	
Balaji Wafers	-	5,857	4,836	1,660	-1,000	-295	1,409	-1,133	5,847	6,709
Haldriam Foods International	1,365	1,678	2,130	1,314	-432	2,116	-28	1,061	3,025	3,220
BFL	-	-	-	-	-46	201	435	-504	955	1,184
PSL	-	-	260	482	-255	177	483	151	-33	514
GSL	-	-	-	-	-	-	-247	-144	962	380
Bikanervala Foods	71	134	203	-114	-493	288	493	-199	-1,430	5
Laxmi Snacks	-54	43	138	359	69	179	-224	-589	148	-733
DFM Foods	225	267	-396	210	402	184	94	-210	-430	114
Haldiram Bhujiawala	251	-185	-659	32	195	-25	84	-3	336	-33
Guiltfree Industries	-	-	-5	-855	-2,995	-2,310	-1,381	-2,072	-2,479	-2,050
Aakash Global Foods	-	-	-	44	55	45	49	-103	95	159
Kishlay Foods	-	-	-	-7	-972	44	-38	6	-121	-46
Anand Sweets and Savouries	-	-	-	-	-	-	-	-	-	-

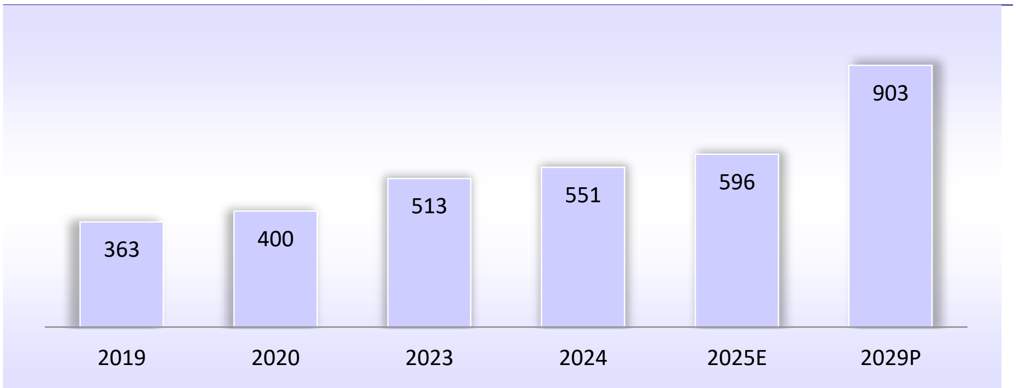
Source: MCA, MOFSL

Indian biscuits market

The Indian biscuits retail market, valued at INR551b in FY24, is projected to clock a CAGR of ~10.4%, reaching INR903b by FY29. Biscuits form the second-largest packaged food category after savory snacks and span traditional, cookie, cracker, and health-based variants. The growth is propelled by evolving consumer lifestyles, rising health awareness, and product premiumization. Demand for high-fiber, low-sugar, and multigrain biscuits is surging alongside indulgent cookie consumption among urban consumers. Organized retail and direct-to-consumer channels are accelerating category penetration, while leading brands such as Parle, Britannia, ITC, and MBFSL are driving innovation through differentiated formats and healthier formulations.

Positioned between affordability and evolving wellness trends, the biscuit segment continues to balance mass-market appeal with a growing focus on quality, convenience, and modern snacking preferences.

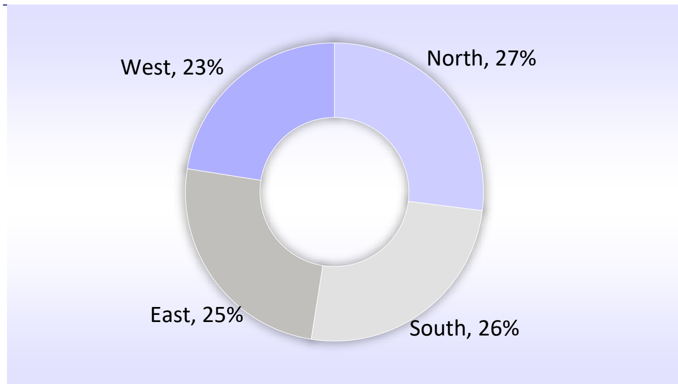
Exhibit 50: Indian biscuit market size (INR b)



Source: Technopak Analysis, MOFSL

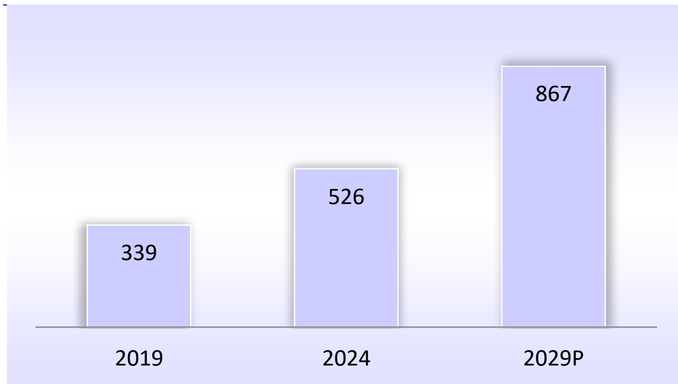
In FY24, branded players commanded over 90% of India's biscuits market, underscoring consumers' growing inclination toward organized and trusted brands. The branded biscuits segment was valued at ~INR526b in FY24 and is forecast to expand at a CAGR of around 10.5%, reaching INR867b by FY29. The remaining unbranded segment, largely composed of small local manufacturers operating through wholesale trade, continues to serve low-income and rural markets but faces mounting competitive pressure as organized players penetrate these regions more aggressively.

Exhibit 51: Geographical segmentation (%)



Source: Technopak Analysis, MOFSL

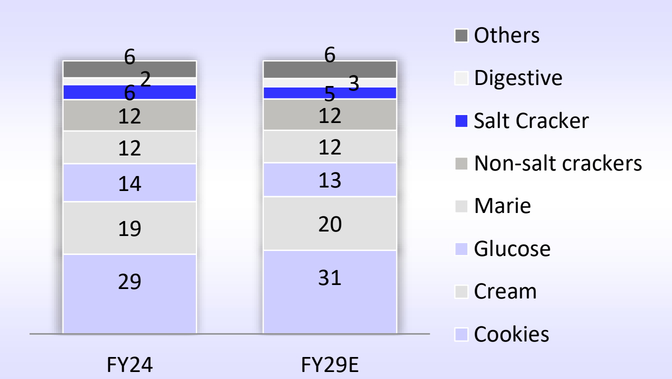
Exhibit 52: Indian branded biscuits market (INR b)



Source: Technopak Analysis, MOFSL

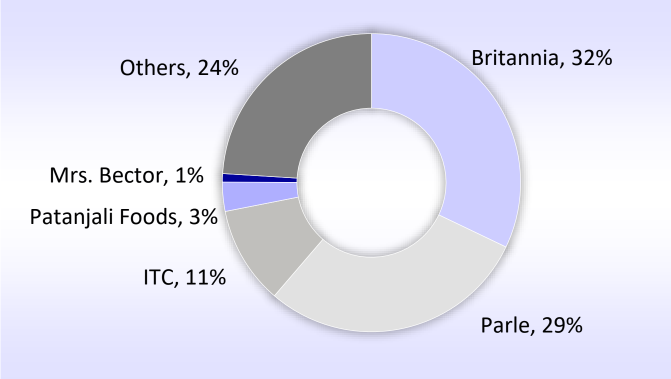
The Indian biscuits market is divided into glucose and non-glucose (cookies, cream, Marie, and digestives) by product type and into mass, mid-premium, and premium by price segment. The non-glucose and premium segments are growing faster due to rising incomes, changing tastes, and demand for healthier, higher-quality biscuits. In contrast, the glucose segment grows more slowly, remaining popular in value-focused and rural markets.

Exhibit 53: Branded biscuits market products by type (%)



Source: Technopak Analysis, MOFSL

Exhibit 54: Indian biscuits industry market share in FY25



Source: Technopak Analysis, MOFSL

The Indian biscuits market is highly consolidated, with the top 5 players holding over 75% market share. Britannia leads with around 32%, followed by Parle at 29%. Other significant players include ITC, Patanjali, Surya Foods, Anmol, and Unibic.

Exhibit 55: Biscuits prices across categories (INR per kg)

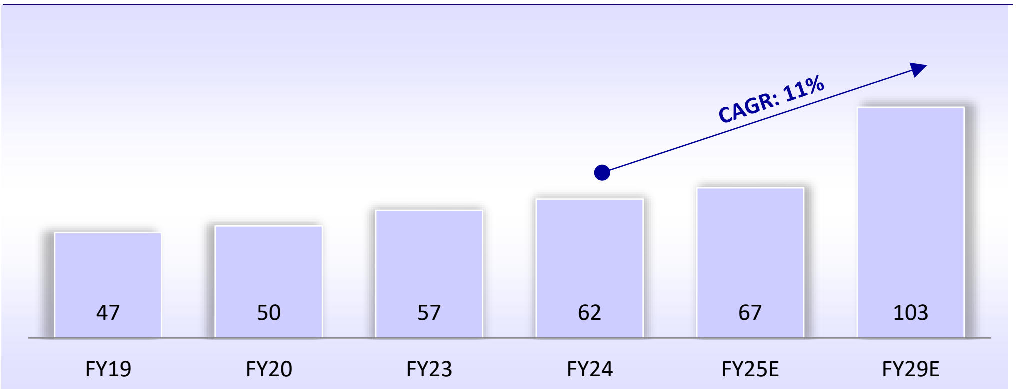
	Glucose		Marie		Cracker		Cookies		Cream		Digestive	
Britannia	Tiger	87	Marie Gold	162	Nutri Choice	184	Good Day	266	Milk Bikis	170	Nutri Choice	360
Unibic					PotatoCrackers	515	Different types of Cookies	380			Digestive	334
Bisk Farm					Cream Cracker	200	Heylo Cashew Cookies	200	Cheese Licks	234		
Parle	Parle-G	125	Parle Marie	160	Nutricrunch Lite Cracker	150	Happy Happy	167	Magix	173	Nutricrunch Digestive Cookies	270
ITC	Sunfeast Glucose +	140	Marie Light Active	178	Sunfeast All rounder	334	Dark Fantasy	743	Bounce	157	Farmlite 5 Seed Digestive	300
Patanjali	Doodh Biscuits	141	Marie	128	High Kick cracker	135	Nariyal	133	creamfeast	167	Digestive Cookies	178
MBFSL	Glucose	84	Marie Classic	220	Classic Cracker	220	Golden Bytes	280	Cream Biscuit	200	Cookies – Digestive	240
Surya			Marie Lite	217	Crack N Cheer	245	Butter Cookies	385	Club Cream	315	Digestive Biscuit	318
Anmol			Marie Plus	163	Cream Cracker	150	Butter Bake	154	Yummy	179		
Mondelez									Oreo	327		
Mc'Vities			Marie	257					Cookie Cream	268	Digestive High Fiber Biscuits	208

Source: Company, MOFSL

Indian breads & buns market

The Indian breads and buns retail market was valued at INR67b in FY25 and is projected to register a CAGR of ~11%, reaching INR103b by FY29. The branded segment constitutes about 64% of the market and includes national, regional, and local players such as Britannia, English Oven, Harvest Gold, Bonn, WIBS, and Modern. This growth is driven by rising urbanization, increasing disposable incomes, demand for convenience, and expanding modern retail and e-commerce channels. Additionally, consumer preference is shifting toward healthier options like whole wheat, multigrain, and gluten-free breads, further fueling market expansion.

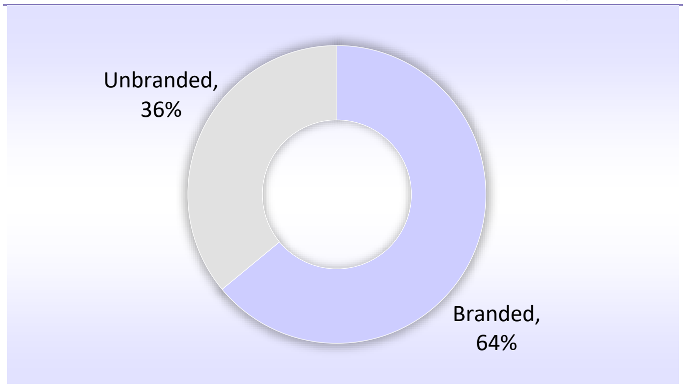
Exhibit 56: Indian breads and buns – retail market size (INR b)



Source: Technopak Analysis, MOFSL

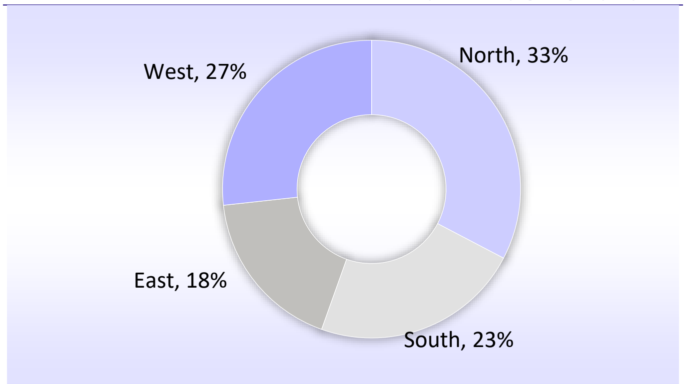
Manufacturers are increasingly tailoring their products to reflect local tastes by incorporating regional flavors, ingredients, and formats. This localization strategy helps brands connect with consumers across varied markets, enhancing acceptance and driving growth in a culturally heterogeneous landscape.

Exhibit 57: Breads and buns – market sales breakup



Source: Technopak Analysis, MOFSL

Exhibit 58: Breads and buns – consumption by geography



Source: Technopak Analysis, MOFSL

Exhibit 59: Bread prices across categories (INR per kg)

	White bread	Brown bread	Wholewheat bread	Multigrain bread
Aabad	88	138	138	150
Britannia	125	122	138	144
Bonn	113	138	125	175
Modern	100	125	138	150
The Health Factory	-	-	186	213
English Oven	100	138	138	175

Source: Company, MOFSL

Peer comparison – Financials of bakery companies

Revenue growth and scale of operations

Among the biscuit players, MBFSL has shown a robust growth trajectory, with revenues rising from INR6.9b in FY18 to INR16.2b in FY24, driven by strong expansion in both domestic and institutional segments. In contrast, Britannia Industries remains the largest player by scale, with revenues of INR167.6b in FY24 and steady high single-digit growth over the past three years. Parle Products has experienced comparatively lower growth during the same period. Among mid-sized players, Surya Foods, Bonn Nutrients, and Bimbo Bakeries India have demonstrated strong performance. Overall, MBFSL stands out for consistent revenue growth among mid-sized companies, while Britannia and Parle maintain scale leadership with stable growth.

Exhibit 60: Revenue (INR m)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Britannia Industries	-	-	-	99,140	1,10,547	1,15,996	1,31,361	1,41,363	1,63,006	1,67,693
YoY Growth %	-	-	-	-	11.5	4.9	13.2	7.6	15.3	2.9
Parle Products	90,973	95,697	1,02,877	1,09,705	1,16,952	1,22,916	1,49,233	1,62,019	1,64,501	1,62,907
YoY Growth %	-	5.2	7.5	6.6	6.6	5.1	21.4	8.6	1.5	-1.0
Surya Foods & Agro	7,586	7,729	10,633	11,252	12,862	12,797	11,976	12,299	15,315	18,267
YoY Growth %	-	1.9	37.6	5.8	14.3	-0.5	-6.4	2.7	24.5	19.3
MBFSL	-	-	-	6,906	7,837	7,621	8,807	9,882	13,621	16,239
YoY Growth %	-	-	-	-	13.5	-2.7	15.6	12.2	37.8	19.2
SAJ Food Products	6,109	6,645	7,693	8,861	9,697	11,385	12,513	14,306	17,150	15,857
YoY Growth %		8.8	15.8	15.2	9.4	17.4	9.9	14.3	19.9	-7.5
Anmol Industries	2,730	2,924	12,363	11,074	10,842	12,022	13,182	13,352	16,045	14,229
YoY Growth %	-	7.1	322.8	-10.4	-2.1	10.9	9.7	1.3	20.2	-11.3
Bimbo Bakeries India	859	2,770	2,788	3,436	3,908	4,338	5,027	9,788	12,890	13,812
YoY Growth %	-	222.5	0.6	23.2	13.8	11.0	15.9	94.7	31.7	7.2
Ravi Foods	4,029	4,141	4,292	5,555	5,966	6,056	6,959	7,906	11,118	11,672
YoY Growth %	-	2.8	3.7	29.4	7.4	1.5	14.9	13.6	40.6	5.0
Unibic Foods India	1,318	2,046	2,490	2,931	3,817	4,383	5,425	5,955	7,681	8,020
YoY Growth %	-	55.2	21.7	17.7	30.2	14.8	23.8	9.8	29.0	4.4
Bonn Nutrients	2,364	2,591	2,844	3,111	3,235	3,741	3,765	4,837	6,236	6,978
YoY Growth %	-	9.6	9.8	9.4	4.0	15.7	0.6	28.5	28.9	11.9
Dharwad Big Mishra Pedha	-	-	-	-	-	-	-	-	1,010	2,846
YoY Growth %	-	-	-	-	-	-	-	-		181.8
Elite Foods	1,034	1,078	1,112	1,390	1,369	1,671	1,645	1,961	2,609	2,760
YoY Growth %		4.2	3.2	25.0	-1.5	22.1	-1.6	19.2	33.0	5.8

Source: MCA, MOFSL

Gross margin

Across biscuit companies, MBFSL maintains a strong and stable gross margin, improving from 44.6% in FY18 to 46.7% in FY24, supported by efficient cost management and a higher share of premium products. Britannia Industries sustains a slightly lower but steady margin between 38% and 43%, while Parle Products experiences more volatility, with the margin fluctuating between 28% and 36%. Smaller players like Unibic Foods, Anmol, and Bimbo Bakeries India perform well, with Bimbo consistently achieving a high gross margin above 48%. Overall, MBFSL stands out for robust and consistent profitability among mid-sized biscuit companies.

Exhibit 61: Gross margin (%)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Britannia Industries				38.4	40.6	40.3	41.9	38.0	41.2	43.4
Parle Products	34.2	50.4	46.9	34.5	33.9	36.1	35.4	28.0	30.3	34.8
Surya Foods & Agro	33.5	37.9	29.3	33.9	33.3	32.4	35.2	30.6	35.8	39.4
MBFSL				44.6	45.9	46.5	47.6	44.2	44.6	46.7
SAJ Food Products	37.4	39.5	33.9	39.6	35.8	36.0	36.9	32.0	36.5	43.3
Anmol Industries	32.6	44.6	31.5	37.3	32.7	30.4	34.5	28.0	34.9	38.6
Bimbo Bakeries India	37.4	27.9	32.9	48.7	48.1	50.1	52.0	48.4	47.1	50.1
Ravi Foods	26.9	26.0	28.5	29.6	30.2	28.1	24.0	23.6	21.6	21.1
Unibic Foods India	43.0	43.3	38.8	41.6	40.1	39.9	38.9	32.7	34.8	39.9
Bonn Nutrients	30.0	28.4	28.6	27.7	28.5	27.8	29.1	29.0	31.6	37.8
Dharwad Big Mishra Pedha									2.7	2.3
Elite Foods	32.3	31.6	30.4	29.1	33.0	29.3	32.6	31.2	29.2	31.8

Source: MCA, MOFSL

EBITDA margin

In terms of EBITDA margin, MBFSL delivers a consistent EBITDA margin, steadily improving from 12.2% in FY20 to 14.9% in FY24, indicating stable operational efficiency. Britannia commands a higher overall margin in the 15–19% range, while Parle Products experiences significant volatility, with EBITDA margin fluctuating between 1.7% and 11.5%. Among smaller players, Surya Foods and SAJ show strong performance, with SAJ reaching 16.3% in FY24. Overall, MBFSL is a reliable mid-sized player with a stable EBITDA margin in the biscuit segment.

Exhibit 62: EBITDA margin (%)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Britannia Industries				15.1	15.7	15.9	19.1	15.6	17.4	18.9
Parle Products	6.5	7.5	3.2	5.2	5.3	8.0	10.9	1.7	7.6	11.5
Surya Foods & Agro	9.8	11.3	9.4	12.2	10.4	9.3	13.1	5.6	5.8	9.1
MBFSL				12.4	12.3	12.2	16.0	12.4	12.9	14.9
SAJ Food Products	5.6	5.8	2.9	5.1	3.3	6.1	12.4	6.8	11.2	16.3
Anmol Industries	21.2	33.1	11.0	14.4	8.0	8.0	11.1	2.8	12.9	11.9
Bimbo Bakeries India	14.4	4.9	6.4	7.2	8.2	8.0	6.6	8.0	7.0	5.7
Ravi Foods	6.4	7.5	8.1	6.0	6.1	4.7	3.7	1.3	1.4	3.1
Unibic Foods India	-3.9	2.5	-2.2	2.4	1.8	2.9	6.2	3.8	3.8	6.0
Bonn Nutrients	4.0	4.0	3.9	4.3	4.3	3.9	5.1	4.8	6.6	6.7
Dharwad Big Mishra Pedha									1.8	1.3
Elite Foods	5.7	5.1	5.4	4.1	4.1	4.2	7.3	4.7	5.8	5.9

Source: MCA, MOFSL

PAT margin

Over FY15-FY24, the PAT margin for leading companies exhibited notable variation. MBFSL demonstrated margins varying from 4% to 8.6%. Britannia Industries maintained a strong margin averaging 12%. Parle Products, Anmol, and SAJ Foods showed improving profitability, with better PAT margin performance among mid-sized and smaller players. The landscape reflects a blend of stable high-margin leaders alongside growing mid-sized companies and smaller firms with modest profitability.

Exhibit 63: PAT margin (%)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Britannia Industries					10.5	12.0	14.1	10.7	14.2	12.8
Parle Products	4.6	5.5	3.6	4.4	4.2	5.7	9.3	1.6	5.5	11.2
Surya Foods & Agro	5.9	6.5	6.6	7.7	9.3	6.3	9.7	7.7	4.4	6.8
MBFSL				5.2	4.2	4.0	8.2	5.8	6.6	8.6
SAJ Food Products	1.8	2.0	0.8	1.9	0.2	2.9	8.4	3.9	7.2	11.1
Anmol Industries	16.3	20.2	5.8	7.4	9.1	8.7	6.5	0.5	7.9	8.6
Bimbo Bakeries India	7.6	2.3	3.0	4.9	5.7	4.8	2.8	3.0	2.3	5.9
Ravi Foods	2.8	3.5	3.5	3.4	3.3	4.1	2.3	1.2	0.9	1.8
Unibic Foods India	0.7	1.2	-3.0	-0.3	0.1	1.0	3.4	2.0	1.9	2.2
Bonn Nutrients	0.7	1.1	1.0	0.8	1.0	1.2	2.0	3.3	4.6	2.4
Dharwad Big Mishra Pedha									2.8	1.5
Elite Foods	3.4	2.8	3.0	2.1	1.9	2.3	5.2	3.6	4.2	4.9

Source: MCA, MOFSL

ROE

Britannia leads the sector with high, stable ROE ranging from 53% to 60%. MBFSL has steadily improved its ROE from 9% in FY20 to 23% in FY24, indicating consistent shareholder returns. Parle Products shows moderate ROE growth from 4% to 23%.

Exhibit 64: ROE (%)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Britannia Industries				29	27	32	53	60	55	54
Parle Products	31	19	12	13	12	16	26	4	14	23
Surya Foods & Agro	25	22	23	21	23	13	16	11	7	12
MBFSL				13	11	9	19	13	18	23
SAJ Food Products	15	15	7	16	2	23	47	18	31	32
Anmol Industries	68	51	18	13	16	18	15	1	25	23
Bimbo Bakeries India	42	25	23	10	7	6	3	3	2	6
Ravi Foods	13	14	13	14	13	14	8	5	5	10
Unibic Foods India	3	5	N/A	N/A	1	10	34	18	17	17
Bonn Nutrients	10	16	14	10	11	15	21	35	55	29
Dharwad Big Mishra Pedha								28	37	24
Elite Foods	20	15	14	11	9	12	23	16	21	21

Source: MCA, MOFSL

FCF

Market leaders (Britannia and Parle), along with mid-sized players (Anmol and SAJ Foods) have consistently generated strong FCF within the biscuit industry. In contrast, MBFSL lagged in recent years, struggling to achieve sustainable FCF.

Exhibit 65: FCF (INR m)

Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Britannia Industries				8,276	7,564	12,411	16,112	7,525	18,917	20,760
Parle Products	3,452	2,854	-1,433	3,989	731	3,338	10,496	-1,630	6,047	11,598
Surya Foods & Agro	629	219	-288	500	275	-43	-1,922	1,148	-2,545	281
MBFSL				-711	-73	685	291	240	546	-617
SAJ Food Products	257	274	-9	-207	131	379	633	-117	1,020	857
Anmol Industries	377	830	535	1,351	403	873	859	305	585	-60
Bimbo Bakeries India	39	-3	127	-90	-347	-285	-411	-261	728	-327
Ravi Foods	262	147	-147	-176	248	-17	254	-455	119	678
Unibic Foods India	-128	-77	-279	60	-65	176	356	-204	-1,112	-132
Bonn Nutrients	43	59	-82	-53	52	84	41	-91	-125	142
Dharwad Big Mishra Pedha									-192	-212
Elite Foods	92	11	57	18	37	92	118	60	-42	174

Source: MCA, MOFSL

COMPANIES

BIKAJI FOODS INTERNATIONAL

GOPAL SNACKS

PRATAAP SNACKS

MRS BECTORS FOOD SPECIALITIES

COMPANY UPDATE

Unlisted Companies

Bikaji Foods International

BSE Sensex	S&P CNX
85,063	26,179

CMP: INR736 **TP: INR900 (+22%)** **Buy**

Bikaji: Scaling tradition, Delivering growth

- **Bikaji Foods International (BFL) stands among the fastest-growing snacks companies in India. It recorded an impressive 19% revenue CAGR, which outpaces the broader industry by ~1100bp during FY21-25. BFL's strategic focus on the economy and mass-market segments, combined with a robust pan-India distribution network, equips the company to effectively capture demand across the country.**
- **BFL's disciplined execution and prioritization of innovation, pricing agility, and focused brand-building have been central to its outperformance. Recent capacity expansion on namkeen (larger addressable market than bhujia) further optimizing supply efficiencies and fortifying BFL's competitive edge against both regional and unorganized players.**
- **BFL is well-poised to benefit from accelerating demand for branded snacks, shifting consumer preferences, and increasing traction within modern trade and e-commerce ecosystems. The company is driving growth through expansion into new categories like western snacks, cookies, and frozen foods, supported by distribution gains in both urban and rural markets.**
- **Looking ahead, BFL is set to deliver industry-leading growth, with revenue, EBITDA, and PAT (Ex-PLI) CAGR of 15%, 29%, and 39% over FY25-FY28. Scaling efficiencies are projected to support sustained improvement in return ratios. We initiate coverage with a BUY rating and a DCF based target price of INR900, (implied P/E of 55x on FY28E) reflecting confidence in BFL's execution capabilities, diversified product portfolio, and long-term growth trajectory.**

Strong emphasis on ethnic snacks, sweets, and papad

BFL is a dominant ethnic snacking leader in India's snack market with a diversified portfolio of over 300 SKUs spanning bhujia, namkeen, sweets, western snacks, papad, and more. Ethnic snacks dominate, accounting for 68% of sales led by Namkeen (40%) and Bhujia (28%) – while sweets and western snacks contribute ~13% and 8%, respectively. BFL is also India's second-largest handmade papad producer, with a production capacity of 11,400 tonnes in FY25. We expect mid teens growth led by western snacks followed by namkeen, sweets, bhujia & papad.

Leveraging strategic alliances and acquisitions

BFL is driving growth through strategic acquisitions, JVs, and a cautious QSR foray under its "House of Brands" strategy. Key moves include buying stakes in The Hazelnut Factory, Ariba Foods, and Bhujialalji, alongside a 50-50 JV with Nepal's Chaudhary Group to localize production and expand the total addressable market. Currently, these acquisitions contribute ~5-6% of total sales and are expected to clock ~20%+ CAGR over the next 2-3 years.

Focusing on pan-India market share expansion

BFL is aggressively enhancing its pan-India distribution footprint to drive deeper market penetration and volume growth. The company segments its markets into core, focus, and other regions, applying customized strategies to each segment. Core markets comprising Rajasthan, Bihar, and Assam remain the backbone, contributing ~70% of total revenue.

Stock Info

Bloomberg	BIKAJI IN
Equity Shares (m)	251
M.Cap.(INRb)/(USDb)	179.9 / 2
52-Week Range (INR)	821 / 520
1, 6, 12 Rel. Per (%)	0/-5/-13
12M Avg Val (INR M)	247
Free float (%)	26.1

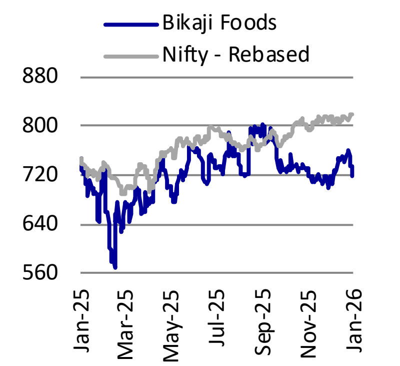
Financial Snapshot (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	29.8	34.8	40.1
Adj. EBITDA	3.8	4.7	5.8
Adj. EBITDA (%)	13.0	13.6	14.5
Adj. PAT	2.3	3.1	4.1
Adj. EPS (INR)	9.3	12.2	16.2
Adj. EPS Gr. (%)	55.8	31.0	32.7
BV/Sh. (INR)	64.5	75.6	87.8
Ratios			
Net D/E	0.0	0.0	0.0
RoE (%)	15.6	17.5	19.9
RoCE (%)	13.0	14.3	14.5
Payout (%)	15.0	20.0	25.0
Valuations			
P/E (x)	78.9	60.2	45.4
P/B (x)	11.4	9.7	8.4
EV/EBITDA (x)	42.7	35.6	31.9
Div Yield (%)	0.2	0.4	0.5

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	73.9	74.9	75.0
DII	14.8	13.4	12.8
FII	6.3	6.6	7.5
Others	5.0	5.1	4.8

Stock Performance (1-year)



Focus markets include Uttar Pradesh, Punjab, Haryana, Karnataka, Chhattisgarh, and Delhi NCR, contributing 15% of sales and reflecting BFL's growing presence beyond its traditional strongholds. Currently, the company has established direct access covering 329k retail outlets and is targeting an annual addition of ~50k outlets to reach 450k outlets in three years.

Strategic capacity expansion to support demand growth

BFL has strategically expanded its manufacturing footprint, operating in-house production facilities across key regions and few contract manufacturing partnerships to ensure scalable capacity and extensive reach. The total production capacity stands at 325,320 metric tonnes, currently utilized at ~46-48%, reflecting ample headroom to support near-term volume growth while optimizing logistics and maintaining product freshness. With utilization expected to improve to ~70% over the next 3-4 years, its EBITDA margin is projected to improve by 30-50bp annually, solidifying BFL's position as a forward-looking leader in the branded snacks sector.

Leveraging branding strategy for market leadership

BFL has consistently invested in building a strong brand recall under a unified identity. The appointment of *Amitabh Bachchan* as brand ambassador in 2019 significantly enhanced visibility, complemented by impactful campaigns such as *'Bikaji Khao-London Jao', 'Kya Baat Hai Ji'*, and several TV commercials this year. Despite intense competition, BFL commands leadership in the family pack segment, driven by sustained ATL and BTL efforts, which include extra grammage offers and QR code-based promotions (cash back). The company allocates ~2.0-2.5% of revenue to advertising and promotion (A&P) expenses, aiming to maintain a strong brand presence and fuel growth across India.

Financial outlook

BFL is well-positioned to deliver industry-leading growth and gain market share by expanding direct reach, increasing capacity utilization to 70% over the coming years, enhancing brand visibility through multi-channel marketing and innovative promotions, and broadening its diverse product portfolio. We forecast revenue, EBITDA, and APAT (Ex-PLI) CAGR of 15%, 29%, and 39%, respectively, over FY25-FY28, driven by robust volume growth and improving margins.

Valuation and recommendation

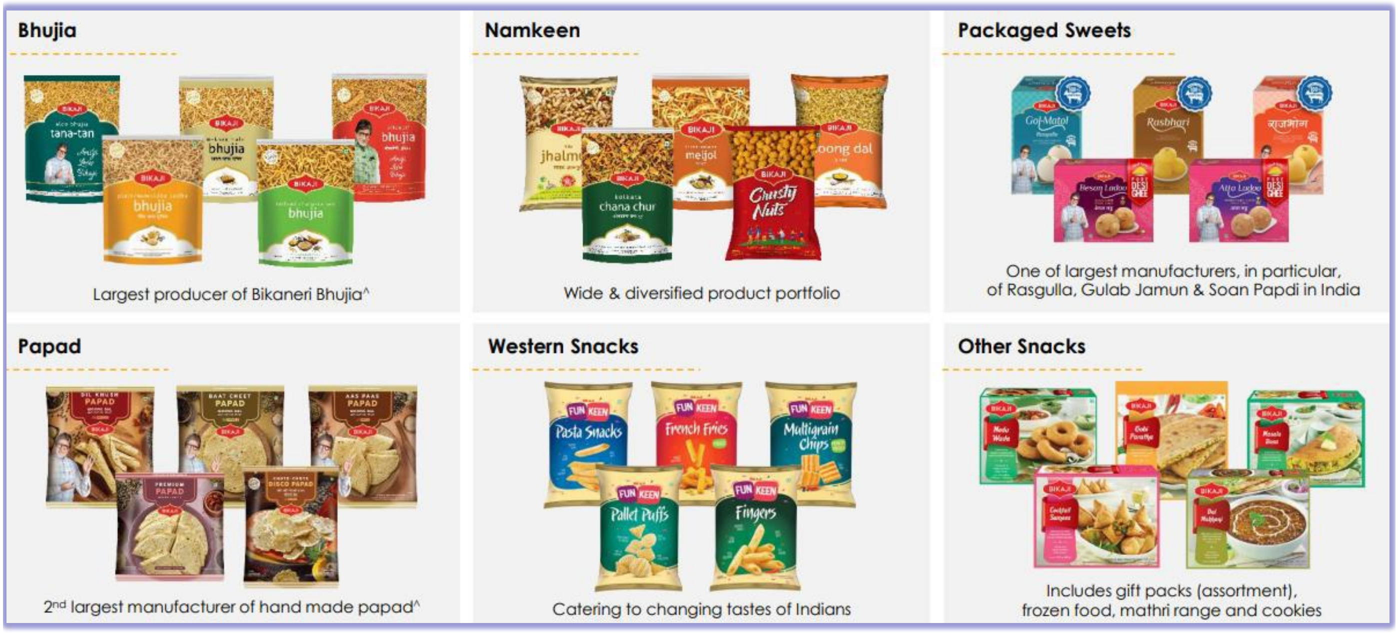
With strong operating performance, BFL's free cash flow is anticipated to improve to INR2.8b by FY28. Additionally, the return on equity (RoE) is projected to rise to 19.9% in FY28 from 11.5% in FY25. **We initiate coverage on the stock with a BUY rating and DCF based target price of INR900, (implied P/E of 55x on FY28E).**

Key risks and concerns

The primary risks to BFL's business include: 1) raw material price volatility; 2) geographical concentration risk due to heavy reliance on core markets; 3) challenges related to expansion and scaling of distribution networks; 4) intensifying competition from both organized and unorganized players; and 5) potential entry of new competitors in Rajasthan, which could affect its market share and margins.

STORY IN CHARTS

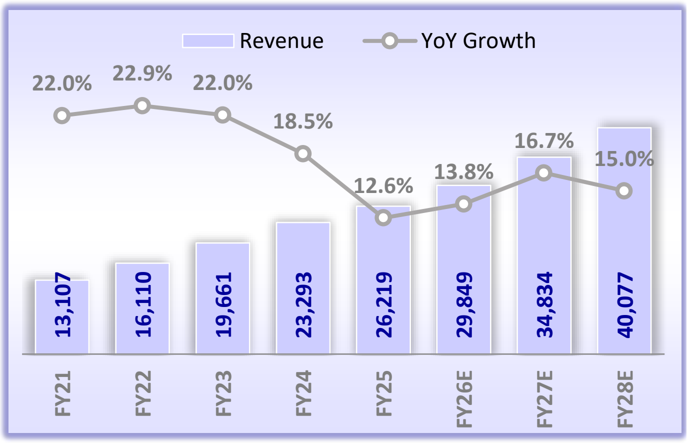
Product portfolio spans from traditional ethnic snacks to western snacks



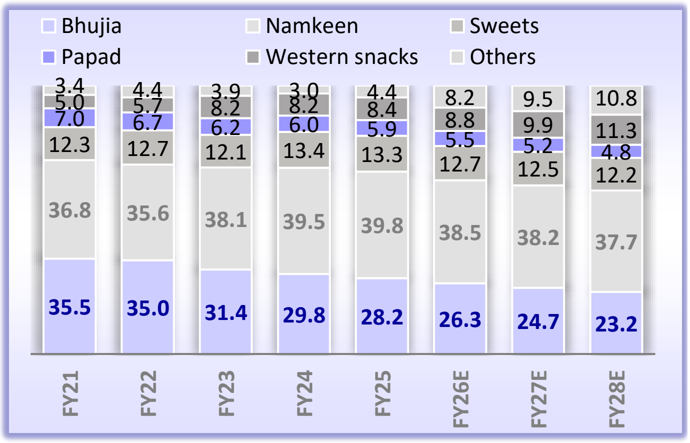
Brand-wise portfolio positioning

Brand	Category Focus	Target Audience	Price Segment
BFL (core)	Namkeen, Bhujia, Mixtures, Sweets, Papad	Mass Indian households, festive buyers	Economy-to-Mid
Bikaji Frozen/Ariba (acquisition)	Frozen snacks (samosa, paratha, sweets)	Urban households, modern retail, QSRs	Mid
Hazelnut Factory (acquisition)	Patisserie, café, artisanal sweets	Urban millennials, premium café goers	Mid-premium-to-Premium
Nepal JV (CG Foods)	Core BFL snacks (namkeen, bhujia, sweets)	Nepalese consumers, cross-border Indian diaspora	Economy-to-Mid

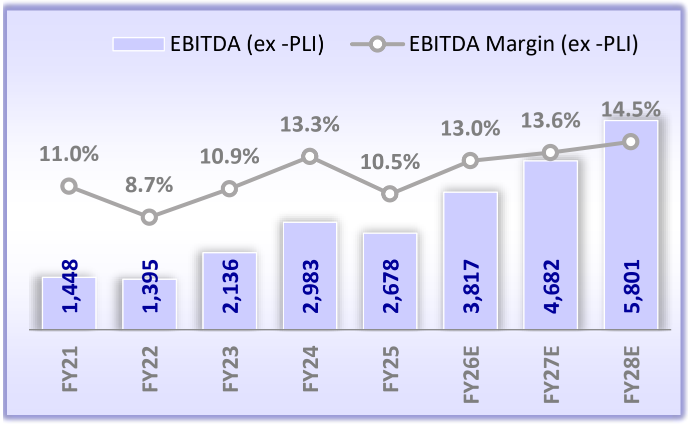
Revenue (INR m) and revenue growth (%)



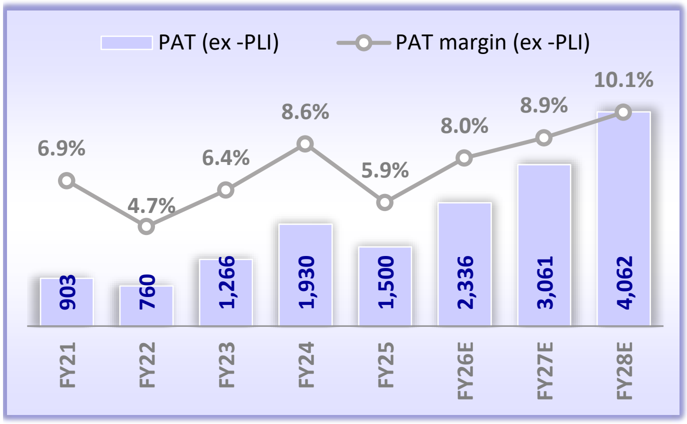
Category-wise revenue share (%)



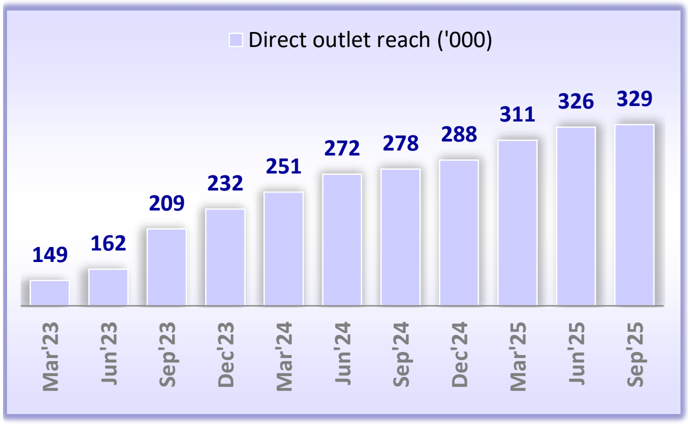
EBITDA (INR m) and EBITDA margin (%)



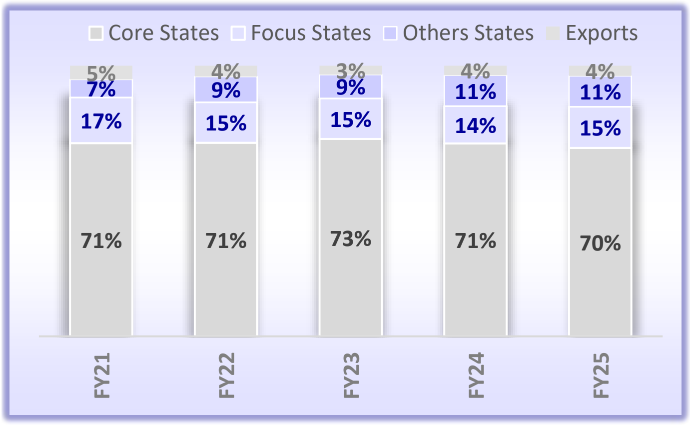
PAT (INR m) and PAT growth (%)



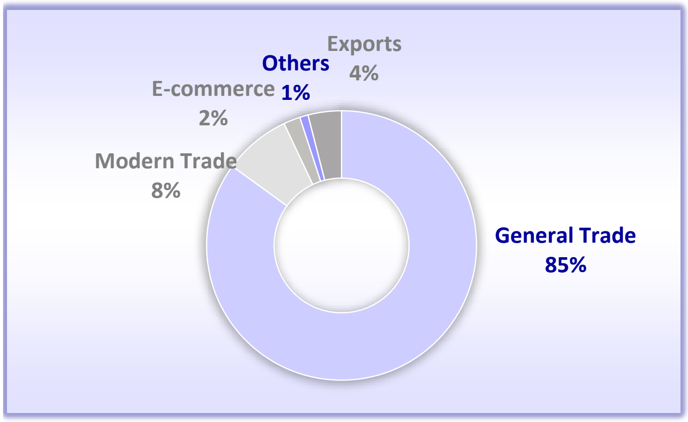
Direct coverage (no. of outlets in '000)



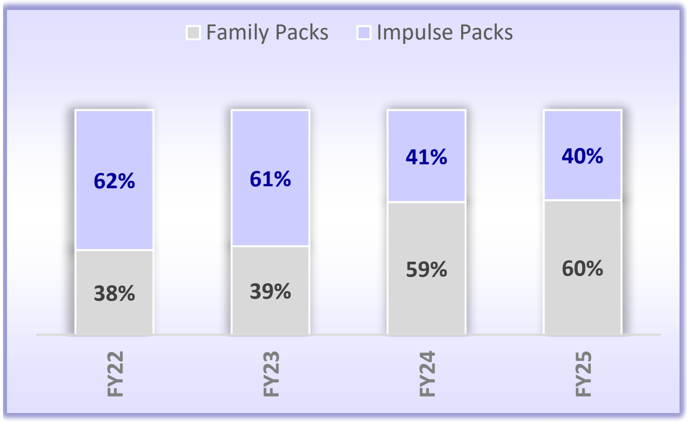
Revenue contribution by market segment



Revenue split by channel for FY25



Rising share of family vs. impulse packs



New product pipeline experiencing strong consumer traction

Strong emphasis on ethnic snacks, sweets, and papad

Robust product portfolio

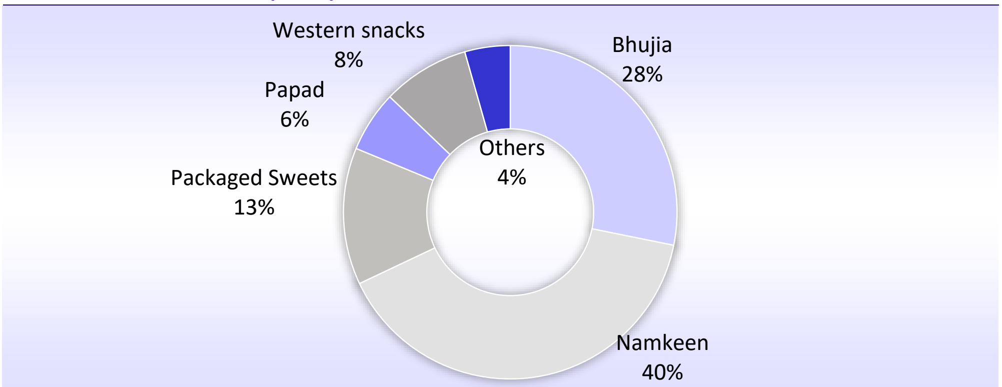
BFL has 300+ SKUs where Namkeen & Bhujia are the largest categories.

BFL commands a strong position in the Indian snacks industry with a diverse, strategically balanced portfolio spanning six key categories: bhujia, namkeen, packaged sweets, western snacks, papad, and others (including gift packs, frozen foods, cookies, and mathri). With over 300+ SKUs, the company caters effectively to both traditional and evolving consumer preferences, enhancing its appeal across various market segments. BFL leads flagship categories, notably as the largest manufacturer of Bikaneri bhujia and a key player in handmade papads and organized sweets, providing a solid foundation for sustained growth.

BFL's extensive product portfolio gives it a competitive edge over regional and local players with limited offerings. This depth enables stronger distributor and retailer appeal through cross-selling opportunities and enhanced shelf presence. BFL's blend of ethnic heritage and modern snacking innovation bolsters brand equity across both urban and rural markets, addressing a broad consumer demographic.

With growing traction in emerging categories like western snacks and cookies – supported by continuous innovation, distribution expansion, and strong brand recall – BFL is well-positioned for sustainable, long-term growth. Its ability to marry tradition with market responsiveness makes it a compelling investment in India's dynamic packaged food sector.

Exhibit 66: Product mix (FY25)



Source: Company, MOFSL

Ethnic snacks (68% of the portfolio)

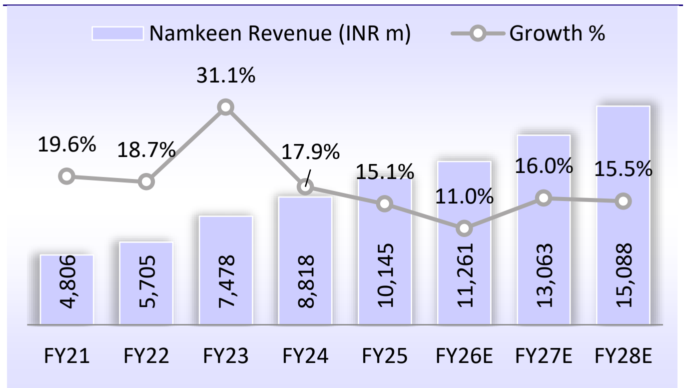
Ethnic snacks represent the largest category for BFL, accounting for ~68% of its overall portfolio. This category has a total addressable market (TAM) of INR232b and constitutes about 45% of the organized savory snacks market, which is estimated at INR516b. Within ethnic snacks, Namkeen (~INR135b) and Bhujia (~INR79b) are the primary sub-segments, both prominently featured in BFL's product offerings. Namkeen accounts for ~60% of the company's ethnic snack sales (~40% on the total sales), with Bhujia making up the remainder (~28% on the total sales). The segment delivers realizations of ~INR200 per kilogram (MRP: INR315/kg), with gross margin ranging between 33% and 38% and EBITDA margin at 15-20%.

Namkeen (40% of the portfolio)

Namkeen is BFL's largest category, comprising over 70 SKUs. The segment has achieved a robust ~20.4% CAGR over the past five years, led mainly by distribution expansion across core and focus markets. Product innovation has contributed around 3-4% of total sales and is expected to remain a key growth driver.

Within the Namkeen portfolio, flagship products such as *Kuch Kuch, Soya Stick, Navratana Mix, Nut Cracker*, and *Moong Dal* collectively represent ~45-46% of category sales. Family packs constitute about 40% of the pack mix, with the remainder coming from impulse packs. Notably, Namkeen commands a margin premium of 200-250bp over western snacks. The company anticipates mid- to high-teens growth for Namkeen over the next 2-3 years.

Exhibit 67: Revenue and growth trends – Namkeen



Source: Company, MOFSL

Exhibit 68: Namkeen – product portfolio

Source: Company Website, MOFSL

Exhibit 69: Product price comparison across different players (INR/kg)

Categories	BFL	Haldiram's	BFL Premium vs Haldiram's	Balaji	BFL Premium vs Balaji
Bhujia	288	275	5%	225	28%
Kuch Kuch	288	280	3%	180	60%
Moong Dal	288	265	9%	196	47%
Soya Stick	267	225	19%	-	-
Navratna Mix	275	275	0%	208	32%
Nut Cracker	275	260	6%	200	38%

Source: Company, MOFSL

Why Bikaner Bhujia is unique?

Bikaneri Bhujia is crafted using moth dal and basan, blended with a secret mix of Rajasthani spices. However, the key differentiator is Bikaner's unique water, air, and soil, which imparts it with unmatched crispiness and distinctive flavor.

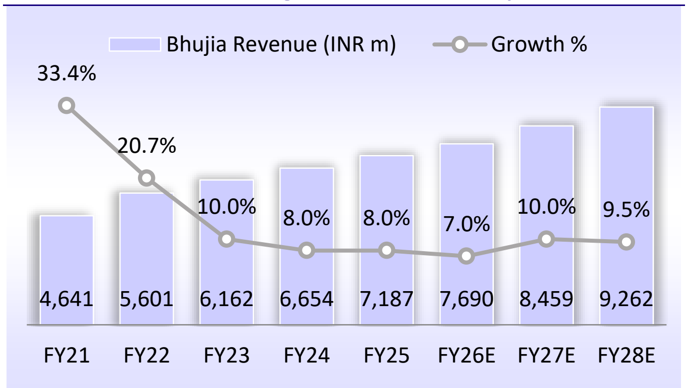
Bhujia (28% of the portfolio)

Bhujia is the second-largest category for BFL, with its portfolio predominantly comprising Bikaner Bhujia (~90%), with the remainder from Aloo Bhujia. Bikaneri Bhujia is renowned for its crispy texture and unique flavor, attributes closely linked to Bikaner's local climate, water, and key ingredients like moth dal and besan. The product was awarded a GI tag in 2010, safeguarding its authenticity and restricting production to the Bikaner region.

With a large-scale plant in Bikaner, BFL holds a strong competitive edge in this segment. Family packs account for ~60% of sales within Bhujia, with the rest coming from impulse packs. In Rajasthan, Bhujia is a staple, with many consumers eating it twice daily. Over the past five years, the segment has delivered a robust ~15.6% revenue CAGR, driven by distribution expansion across core and focus markets.

Management projects the category will continue to grow at high single digits in the future.

Exhibit 70: Revenue and growth trends – Bhujia



Source: Company, MOFSL

Exhibit 71: Bhujia – product portfolio

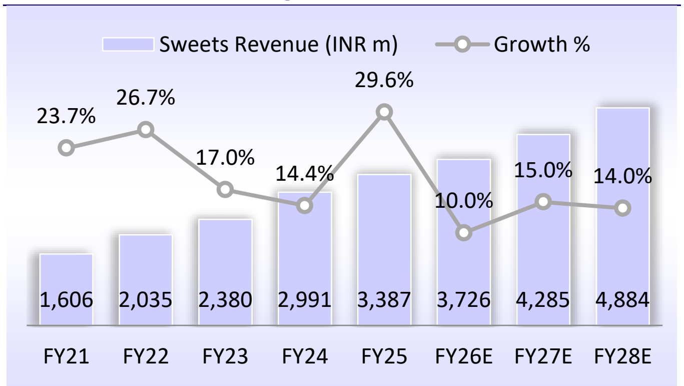
Source: Company, MOFSL

Sweets (13% of the portfolio)

The Sweets category is BFL's third-largest category, contributing ~13% to its overall portfolio and making the company the third-largest manufacturer in this segment. The sweets category has a TAM of about INR846b and accounts for around 10% of the organized sweets market, valued at INR80b. Rajasthan and Bihar represent the highest salience for sweets within BFL's portfolio.

The segment has clocked a strong revenue CAGR of ~21.1% over FY20-25. Key products such as *Rosogolla, Soanpapdi, and Gulab Jamun* contribute ~85% of sweet sales. The sweets category enjoys a margin premium of 150-200bp compared to ethnic snacks. Management expects sweets to sustain low-to-mid-teens growth going forward.

Exhibit 72: Revenue and growth trends – Sweets



Source: Company, MOFSL

Exhibit 73: Sweets – product portfolio

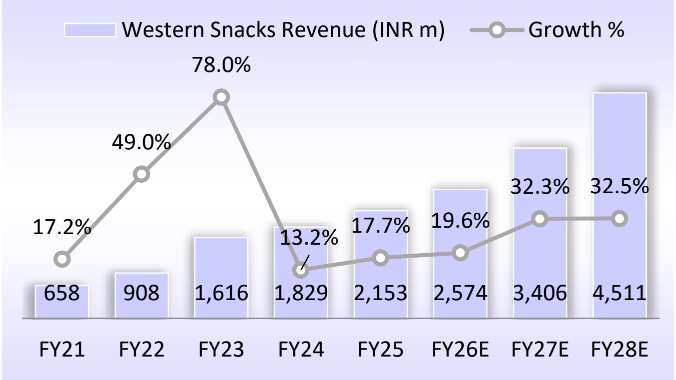
Source: Company, MOFSL

Western snacks (8% of the portfolio)

Western Snacks are an emerging category for BFL, contributing ~8% to its overall portfolio. With a TAM of INR284b, this segment accounts for ~55% of the organized savory snacks market, where BFL has been actively building its presence over the past decade. The company's portfolio includes both extruded snacks and chips, with chips contributing ~75% of segment sales.

Western snacks deliver high single-digit operating margins and have a significantly higher impulse demand share (~60%) compared to ethnic snacks. The segment recorded a strong 31% revenue CAGR over FY20–25, with management targeting a growth of 18-20% over the next three years. Continued innovation, including planned entries into adjacent sub-categories such as snack pellets and various spice-based flavors such as masala wafers, will remain the key growth drivers.

Exhibit 74: Revenue and growth trends – Western snacks



Source: Company, MOFSL

Exhibit 75: Western Snacks – product portfolio

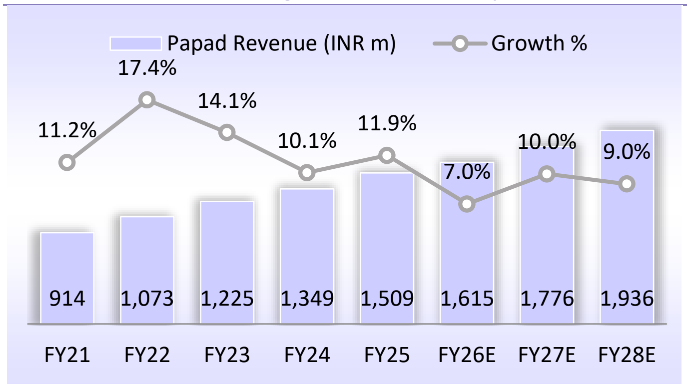
Source: Company, MOFSL

Papad (6% of the portfolio)

Papad, with a TAM of ~INR83b (FY23), represents a relatively smaller segment within the packaged foods market. BFL is the second-largest handmade papad manufacturer in India, with an annual production capacity of 11,400 tonnes as of FY25.

The papad segment operates at margin levels comparable to ethnic snacks. Over FY20-25, it registered a revenue CAGR of 13%, making it one of the slower-growing categories in BFL's portfolio. The company expects the category to sustain high single-digit growth in the coming years.

Exhibit 76: Revenue and growth trends – Papad



Source: Company, MOFSL

Exhibit 77: Papad – product portfolio

Source: Company, MOFSL

Innovation and Premiumization: Key growth drivers

Innovation contributes ~3-4% of revenues, we expect similar trend for next 2-3 years.

Innovation and premiumization have been vital growth drivers for BFL over the past decade. The company has developed a strong innovation pipeline to fuel new product development and launches. Since its IPO, BFL has introduced products such as roasted multigrain mix, jowar mix, bajra mix, cheese balls, corn puffs, soya katori, pasta snacks, French fries, Twisteez, and Cones under the BFL Funkeen brand.

Additionally, BFL expanded into categories such as multigrain chips, popcorn, nachos, and fillows under the Bikaji Café brand, as well as region-specific namkeens, reinforcing its diversification strategy and catering to evolving consumer preferences.

Exhibit 78: Product innovation on the Western snacks portfolio

Source: Company, MOFSL

Although traction in Western snacks has been limited, BFL's healthy snacks portfolio has gained strong momentum in the past 12–18 months. In FY25, the company introduced successful innovations like Paneer Bhujia and revamped western snack formats.

BFL is also expanding its export business, focusing especially on frozen foods in key markets such as the US and the UAE. Further, the company is piloting entry into the quick-service restaurant (QSR) segment, with plans to open several outlets over the next 18 months. Currently, new product development (NPD) contributes ~2-3% of revenues driven by Paneer Bhujia, with management expecting similar contributions for the next 2-3 years.

Focus on new products with healthy snacking and regional taste

BFL maintains a robust innovation pipeline with frequent new product launches, demonstrating agility in adapting to evolving consumer trends and regional taste preferences. A notable recent introduction is Millet Bhujia, a health-oriented variant of its iconic Bikaneri Bhujia, reflecting the company's proactive strategy to tap into the growing demand for healthier snacks. While the healthy snacks category is still very niche in India, BFL is building a portfolio in this space to be future-ready for anticipated category growth over the next 5-7 years.

Beyond health-focused innovation, BFL customizes products to meet regional tastes and preferences such as the "*Teekha Toofan*" variant tailored for the spicier palate of Northeast India. By avoiding a uniform approach and focusing on local resonance, BFL optimizes shelf productivity and consumer acceptance. This dual strategy of balancing healthy trends and regional taste is a key enabler for sustained growth. BFL is a leading Indian snack brand known for its strong brand-building efforts, diverse product portfolio, and expansive distribution network.

Exhibit 79: NPD pipeline

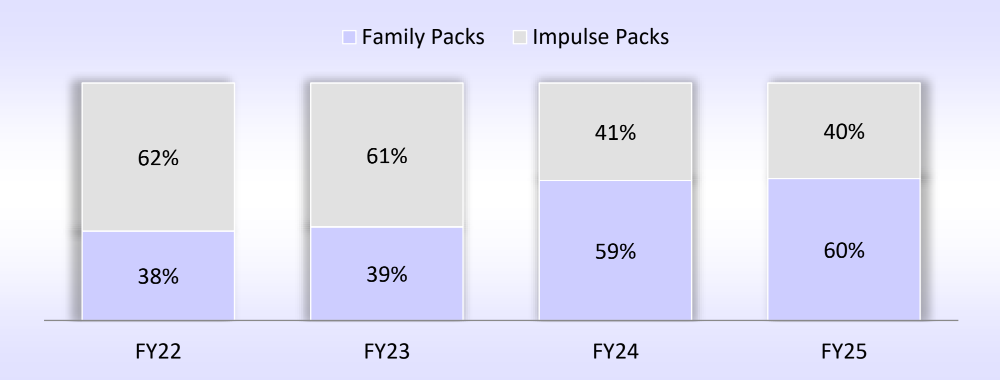
Source: Company, MOFSL

Rising share of family packs – a key volume driver

Family packs, contributing ~60% of BFL's FY25 sales, drive volume-led growth across key categories.

Family packs have become a central growth engine for BFL, accounting for ~60% of overall sales in FY25 and consistently delivering volume-led growth. These packs span core categories such as Bhujia, Namkeen, Sweets, and Papad, with flagship products like '*Kuch Kuch*' Namkeen, Aloo Bhujia, and Bikaneri Bhujia gaining strong consumer adoption. In regions with larger household sizes particularly in North and West India family packs effectively cater to in-home consumption. Their prominence in high-consumption segments such as sweets, papads, and gifting SKUs reinforces BFL's reputation for quality and value, which also supports greater pricing power during inflationary periods. BFL's strategic alignment of family packs with modern trade and e-commerce channels has accelerated growth, bolstered by targeted marketing initiatives like "*Bikaji Khao London Jao*" and "Kya Baat Hai Ji" that enhance visibility and consumer engagement. The scale of the family pack segment also improves throughput per outlet, strengthening distributor economics especially in emerging focus markets.

Exhibit 80: Revenue split between family and impulse packs



Source: Company, MOFSL

Leveraging strategic alliances and acquisitions

The company is pursuing inorganic growth through strategic acquisitions and a joint venture with Chaudhary Group in Nepal to diversify its product portfolio, strengthen its exports and frozen foods segments, and expand into new geographies and the quick-service restaurant (QSR) sector. BFL has invested in The Hazelnut Factory (THF), Ariba Foods, and Bhujialalji as part of its broader "House of Brands" strategy.

BFL is driving inorganic growth through strategic acquisitions and a Nepal JV – investing in The Hazelnut Factory, Ariba Foods, and Bhujialalji to diversify its portfolio, strengthen exports and frozen foods.

These acquisitions currently contribute ~5-6% of BFL's total sales. Management targets robust growth exceeding 20% CAGR over the next 2-3 years from these strategic ventures, thereby aiding the company's ambitions to broaden its presence and business model.

Joint Venture (JV) with Chaudhary Group, Nepal

BFL has formed a 50-50 joint venture with Chaudhary Group, one of Nepal's largest companies, renowned for its strong distribution network, including Wai Wai noodles. This JV overcomes high import duties of 55%, which previously made BFL's products less price competitive in Nepal, by enabling local production and leveraging CG Group's extensive distribution reach. BFL is expected to roll out aggressive distribution and capture larger demand spaces.

The JV plans to invest INR150m in a new plant, part of a total capex of INR300m, to increase Nepal's revenue from below INR200m to over INR500m within the next two years.

THF acquisition

BFL has acquired a 40% stake in The Hazelnut Factory (THF), an artisanal sweets and café brand based in Lucknow. The company plans to increase its holding to ~53% with an investment of INR1.3b over two years and aims for a full merger post-Dec'26.

THF currently delivers EBITDA margins of 11–12% and is projected to achieve revenues of INR900m by FY26. It operates cafés across Uttar Pradesh and Delhi, offering specialty coffee, artisanal sweets, bakery products, and an extended café menu, with availability through e-commerce and food delivery aggregators. THF plans to expand to 23-24 stores by the end of FY26.

Exhibit 81: THF – product portfolio

Source: Company, MOFSL

Exhibit 82: Income statement – THF (INR m)

Y/E March	FY21	FY22	FY23	FY24
Net Sales	58	273	393	449
Change (%)		368	44	14
Gross Profit	34	168	248	278
Margin (%)	58.5	61.5	63.2	61.8
EBITDA	7	23	29	49
Margin (%)	11.8	8.6	7.4	10.9
Reported PAT	4	18	8	16
Change (%)	7.6	6.7	2.1	3.6

Source: Company, MOFSL

Ariba Foods

In Sep'24, BFL acquired a 55% stake in Ariba Foods for INR600m, making it a subsidiary. This acquisition enhances BFL's frozen food capabilities, supporting both its export business which accounts for approximately 35% of exports and its emerging quick-service restaurant operations. Ariba Foods, based in MP, produces and distributes frozen snacks and ready-to-eat/ready-to-cook products under the 'InDine' brand and also engages in contract manufacturing. The business is expected to contribute around INR500m in revenue with a projected 20% YoY growth in FY26. Management expects Ariba to achieve profitability within the next 2 years.

Exhibit 83: Ariba Foods – ready-to-eat product portfolio

Source: Company, MOFSL

Exhibit 84: Income statement – Ariba Foods (INR m)

Y/E March	FY21	FY22	FY23	FY24	Sep-Mar25
Net Sales	206	247	383	414	244
Change (%)	7	20	55	8	-
Gross Profit	114	118	177	191	106
Margin (%)	55.4	47.7	46.3	46.0	43.4%
EBITDA	10	5	11	-53	-55
Margin (%)	4.7	2.0	2.8	-12.9	-22.5
Reported PAT	-15	-3	13	-68	-26
Margin (%)	-7.2	-1.2	3.4	-16.4	-10.7

Source: Company, MOFSL

Bhujialalji acquisition – to counter regional competition

In 2023, BFL acquired a 49% stake in Bhujialalji, a relatively new snacks and namkeen brand with a strong presence in modern trade and e-commerce channels. Incorporated in May'21, Bhujialalji posted revenue of INR287m in FY25, with the deal valued at ~0.58 times EV/Sales based on FY23 figures. The brand currently operates at an annual recurring revenue (ARR) of INR300m, albeit with low single-digit profit margins.

Management has set an ambitious target for Bhujialalji to reach INR1b in revenue within the next four years, positioning it as a strategic move to counter regional competition and strengthen BFL's footprint in modern retail and digital channels.

Foray into QSR play

BFL is cautiously entering the QSR segment, having launched one outlet in Sikar, Rajasthan, with plans to open 3-4 additional stores in FY26, targeting a total of approximately 5-6 outlets within the next 18 months. These QSR locations will primarily showcase packaged namkeens, sweets, and gifting products from the full BFL range, rather than traditional fast food offerings.

The initial 18-month phase will focus on establishing robust processes and systems for efficient operations. Additionally, BFL operates single store in Mumbai that generates ~INR200m in revenue with mid-teen profit margins. This serves as a reference model for its future expansion plans.

Exhibit 85: Mumbai store – BFL

Source: Company, MOFSL

Focusing on pan-India market share expansion

Distribution expansion across India

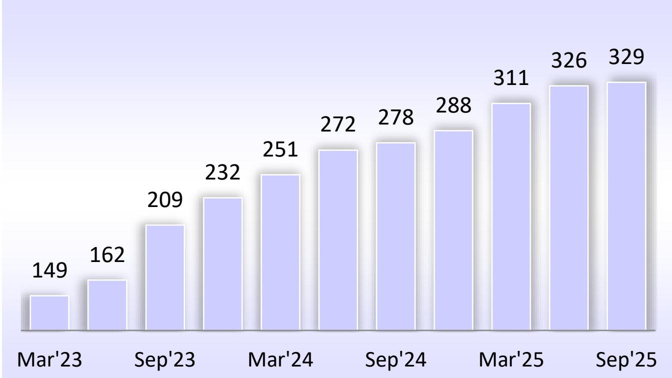
The western region, which represents ~31% of the total TAM, is not a focus market, given the high regional competition and high impulse market.

BFL's robust distribution system is central to its growth strategy, driving deeper market penetration and volume growth across its product portfolio. The company has prioritized expanding direct outlet coverage, a critical lever in FMCG, and strengthened its network by opening new CFAs and depots in strategic cities such as Ghaziabad, Varanasi, Ahmedabad, Pune, and Raipur. These initiatives have not only helped to capture new demand spaces but also built a strong brand franchise.

The direct outlet expansion approach enables BFL to maintain tighter control over product placement, pricing, and promotions. This direct engagement with retailers facilitates localized marketing and boosts product visibility, especially in focus regions where the company aims to build strong market presence and brand loyalty.

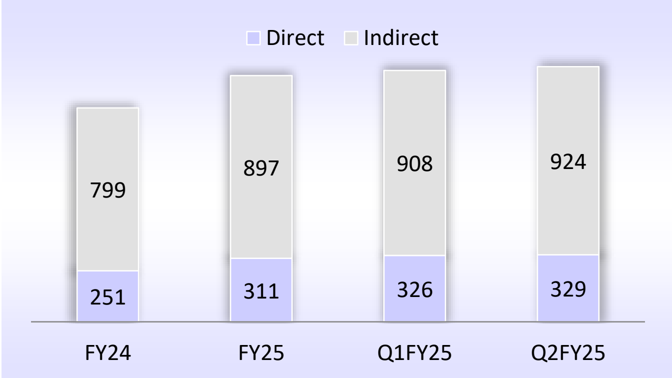
BFL segments its markets into Core, Focus, and Other states, applying tailored distribution strategies to maximize growth. The company added over 60k direct outlets in FY25, bringing total direct coverage to 329k outlets. With plans to add ~50k outlets annually, BFL targets 500k outlets within three years, translating into an indirect presence in over 1.2m outlets nationwide.

Exhibit 86: Direct coverage (no. of outlets in '000)



Source: Company, MOFSL

Exhibit 87: Direct and indirect coverage ('000)



Source: Company, MOFSL

Core markets: 70% of sales

- Core markets – Rajasthan, Bihar, and Assam (~13% of TAM of snacks market) – account for ~70% of BFL's revenues, with dominant double-digit market shares Rajasthan, Bihar, and Assam. Of the total ~1.2m outlet reach, BFL has total reach of 805k outlets in these core markets, including direct reach of ~117k outlets out of 329k total direct outlets.
- In core markets, the key focus is on premiumization and up-trading, aiming to expand weighted distribution and deeper penetration through sales automation to maintain and grow the market share. These markets have recorded a robust ~20% CAGR over the past five years, but their overall revenue contribution has slightly moderated to ~70% in FY25 from ~73% in FY20, reflecting gradual diversification.
- We expect core markets to grow at ~12% over the next three years, led by higher growth in Bihar, followed by Assam and Rajasthan.

- Rajasthan contributes roughly 50% of core market revenues (~34% of the company's revenue) and is a mature market for BFL, which has focused on driving category share through its diversified portfolio and strong execution. Distribution in Rajasthan covers ~43% of the core market distribution. The market has delivered high single-digit growth over five years and is expected to continue at this pace, driven by demand for Bhujia and Namkeen.
- Bihar, the second-largest core market, contributes ~17% of revenues. The popularity of Bhujia grew in Bihar following migration patterns in the 1990s. The state has delivered low to mid teens CAGR over five years.
- Assam (~17% of the revenue) is BFL's fastest-growing core market, with high teens growth. Local production capacity was added in FY22 to strengthen its presence despite a challenging terrain.

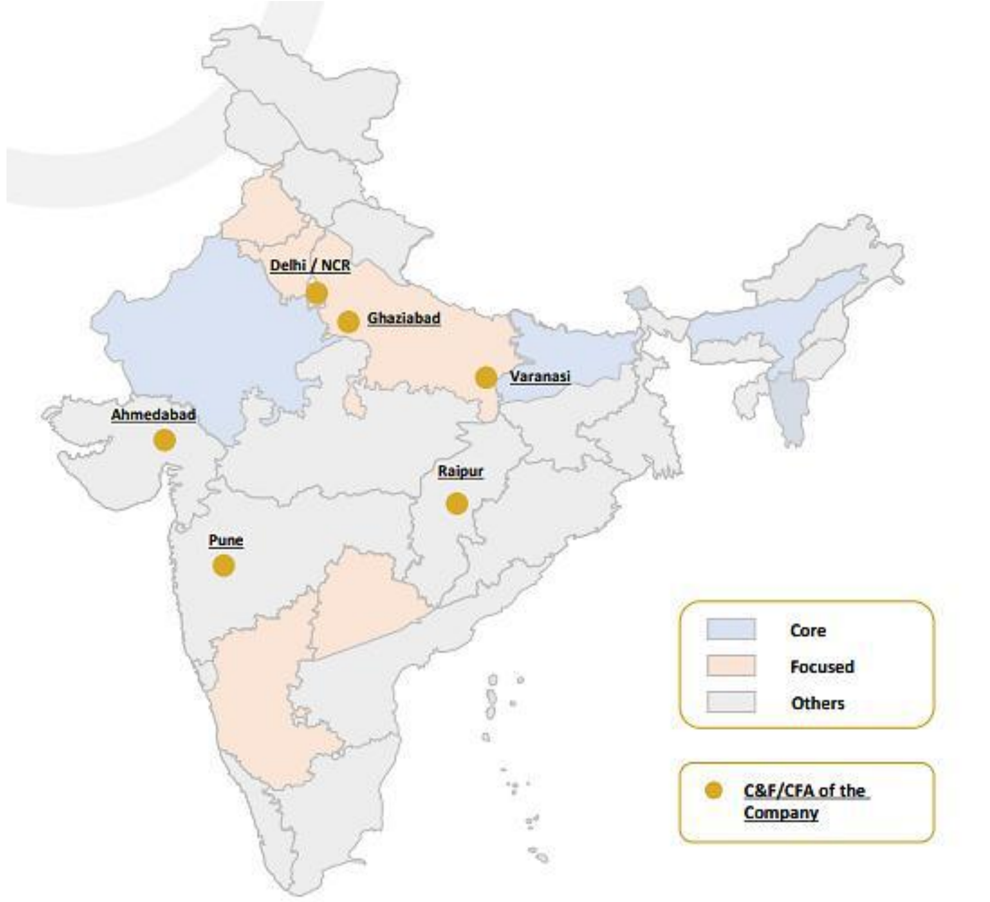
Exhibit 88: Total retail distributon reach – Haldiram vs BFL

All nos in '000	Total Retailers	Haldiram's	BFL
Rajasthan	400	-	350
Bihar	640	301	275
Uttar Pradesh	1,787	1,172	125
Assam	268	55	180
Delhi NCR	201	192	304
Haryana	172	143	
Maharashtra	710	203	
Madhya Pradesh	408	245	
Punjab	202	140	
Karnataka	428	130	
Chattisgarh	198	179	
Andhra Pradesh	278	200	
Orissa	267	190	
Telangana	203	172	
Jharkhand	201	109	
Uttarakhand	102	83	
Tamil Nadu	400	79	
Himachal Pradesh and Jammu Kashmir	75	69	
Gujarat	450	31	
Kerala	141	17	
Total	**7,531**	**3,710**	**1,234**

Source: Nielsen Reports, MAT Jun 23, Company, MOFSL

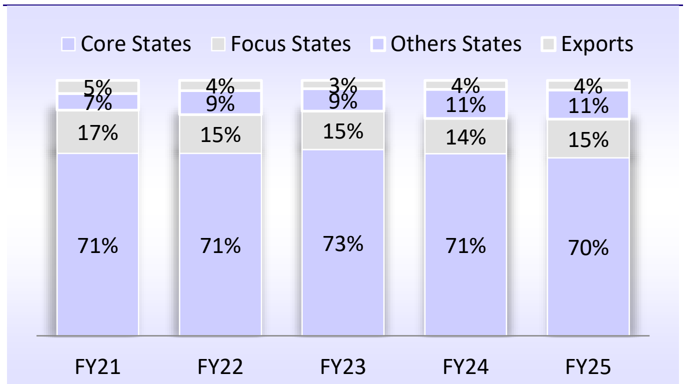
Exhibit 89: Strong presence across India

Core States	Focus States
Rajasthan	Uttar Pradesh
Assam	Haryana
Bihar	Punjab
	Delhi
	Karnataka
	Chattisgarh



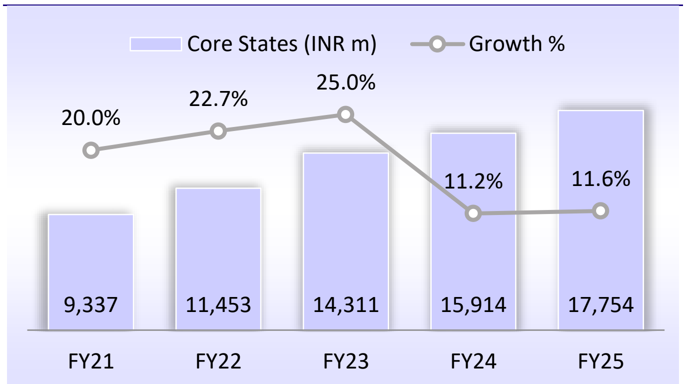
Source: Company, MOFSL

Exhibit 90: Revenue contribution by market segment



Source: Company, MOFSL

Exhibit 91: Revenue performance of core states



Source: Company, MOFSL

Focus Markets has been growing ~20% CAGR and expect similar growth trend over FY25-28.

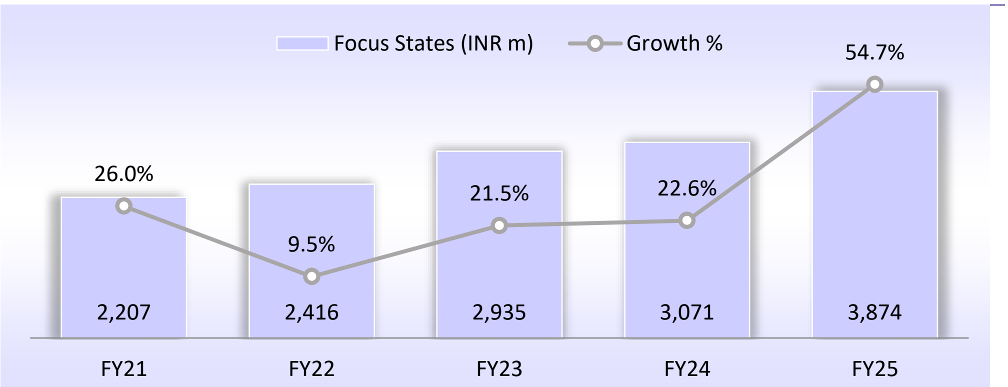
Focus markets: 15% of sales

- BFL's focus markets – Uttar Pradesh, Punjab, Haryana, Karnataka, Chhattisgarh, and Delhi NCR (~32% of TAM of snacks market) – represent an addressable opportunity nearly twice the size of its core markets and contribute 15% of overall sales. National media campaigns and strategic marketing investments have strengthened brand awareness and acceptance among trade partners and consumers.
- Over the past five years, these markets have delivered strong growth of over 20% CAGR, led by Uttar Pradesh, Punjab, and Delhi. Growth drivers include new

store additions and investments in sales and distribution infrastructure. In Uttar Pradesh, BFL holds a ~1% market share and aims to increase it to ~2-3% by FY28.

- Uttar Pradesh is poised to become a core market, currently covering 0.12m outlets of 1.8m total outlets, with a 1% market share. The company plans to expand higher outlets over the next three years. The shift from wholesale and super stockist-driven trade to direct distribution in recent years has improved market acceptability. Management expects the UP market to deliver ~25% YoY growth over next 2-3 years.
- Overall, to support the focus market expansion, BFL plans to increase higher retail reach (current total reach at ~274K) across its focus markets. The company is targeting 30%+ growth over its core markets from these regions, supported by robust distribution expansion.

Exhibit 92: Revenue performance of focus states



Source: Company, MOFSL

Other markets: 11% of sales

Other Markets delivered +25% CAGR over last 5 years, we expect higher growth would continue.

- In other markets, defined as regions outside core and focus areas but within a 300 km radius of production facilities, BFL is in a seeding phase. Key states include West Bengal, Jharkhand, Gujarat, and Telangana. Other States account ~52-55% of the TAM in the Snacks Industry. The company is building presence through partnerships with experienced super stockists, leveraging their distribution strengths.
- The primary focus is on large urban centers and driving sales of popular products, supported by above-the-line (ATL) initiatives such as prime-time TV shows, national news channels, and targeted advertising to create demand, strengthen brand recall, and engage both trade and consumers. BFL is also utilizing B2B e-commerce platforms and national modern trade chains to boost visibility and expand reach in these markets. These other markets have delivered a robust 25%+ CAGR over the past five years.

Exhibit 93: BFL's presence across India

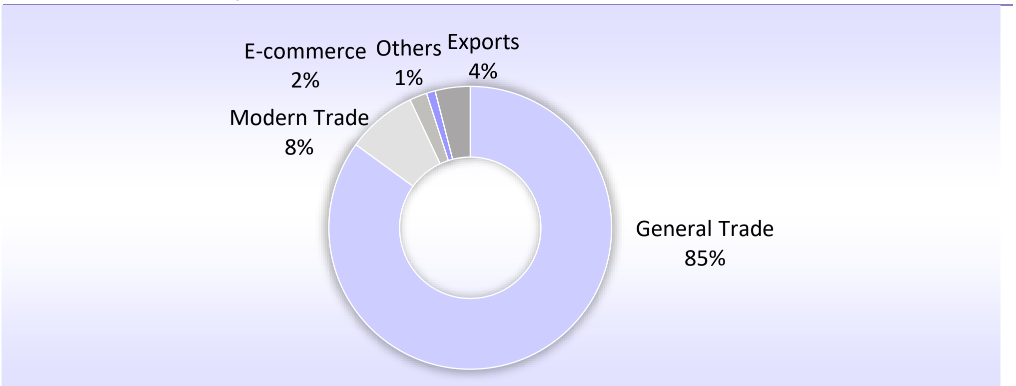
Particular	FY21	FY22	FY23	FY24	FY25
No. of States	22	23	25	25	28
No. of Union Territories	3	4	4	4	7
No. of Depots	5	6	3	9	-
No. of Super Stockists	43	38	37	105	-
No. of Distributors	2,082	2,372	1,917	2,435	2,700*

Note: * our assumption; Source: Company, MOFSL

Channel-specific distribution strategies

BFL employs a multi-channel distribution strategy customized for each sales platform. General Trade remains the largest contributor at 85%, supported by distributor incentives and strong product availability. Modern Trade, accounting for 8% of sales, is expanding rapidly, fueled by demand for family packs and gifting SKUs. E-commerce and quick commerce channels, contributing 2%, have experienced exponential growth, enhancing brand reach and supporting innovation-led launches such as Millet Bhujia. Exports constitute 4% of sales and are growing steadily, driven by strategic initiatives such as the joint venture with Chaudhary Group in Nepal and backend expansion via Ariba Foods, targeting global demand with an emphasis on frozen foods.

Exhibit 94: Channel split – FY25



Source: Company, MOFSL

Growing traction in e-commerce, modern trade, and exports

BFL maintains a strong presence in modern trade and is actively expanding in e-commerce and quick commerce platforms. Currently, these channels contribute around 10% of total sales but have seen online revenue grow by approximately 75%, indicating robust digital momentum. The company anticipates double-digit revenue growth in these channels over the next 2-3 years.

In exports, BFL has become one of the largest players in the snacks industry, with products reaching 43 countries across North America, Europe, the Middle East, Africa, and the Asia Pacific. The export business grew 16% CAGR during FY20-25. Management plans to double this figure over the next 3-4 years. Key markets include the US, the UAE, and Canada, where performance remains strong. The company is also expanding its frozen food exports, particularly in the US and the UAE, while piloting QSR outlets over the next 18 months.

Strategic capacity expansion to support demand growth

BFL's aggressive manufacturing expansion underpins its long-term growth strategy, providing the scale needed for sustained volume growth and deeper market penetration. The company operates seven in-house manufacturing units with strong geographic coverage across core and focus markets:

BFL's strategically located manufacturing network, supports volume-led growth, market penetration, and cost-efficient scale-up across core and emerging regions.

- Bikaner, Rajasthan (four units): Primary production hub, contributing ~65% to sales
- Guwahati, Assam (one unit): Supports Northeast market presence
- Tumakuru, Karnataka (one unit): Operates via subsidiary Petunt Food Processors, serving the southern markets
- Muzaffarpur, Bihar (one unit): Operates via subsidiary Vindhyawasini Sales Pvt. Ltd., catering to the Bihar core market

Additionally, BFL adopts an asset-light expansion model via contract manufacturing in strategic locations:

- Kolkata, West Bengal (non-exclusive): Covers select areas in Eastern India
- Bikaner, Rajasthan (exclusive, with group company Hanuman Agrofood): Expands core market capacity
- Kanpur, Uttar Pradesh (exclusive, third-party): Strengthens footprint in UP, a key emerging market

BFL's diversified manufacturing and contract network enables optimized logistics, reduced lead times, and scalable expansion in both core and emerging markets. With an overall capacity of 325,320 metric tonnes operating at 48-50% utilization, medium-term capacity expansion remains limited.

Strategic alignment and capacity enhancement to fuel future growth

BFL's strategic manufacturing and contract network aids in reducing lead times to key markets, optimizing freight costs, and delivering fresher products with superior taste and quality. The company's capacity expansion through third-party partnerships (3Ps) supports asset-light operations, enhancing market reach efficiently.

With a capex of ~INR4.4b completed by FY24 (PLI capex), BFL has significantly strengthened infrastructure across core and focus states, including Assam, Bihar, Raipur (Chhattisgarh), Uttar Pradesh, and South India. Supported by production-linked incentive (PLI) income of INR2.6b, this expansion positions BFL as "future-ready" for the next two to three years, with minimal additional capex anticipated apart from new product development and maintenance.

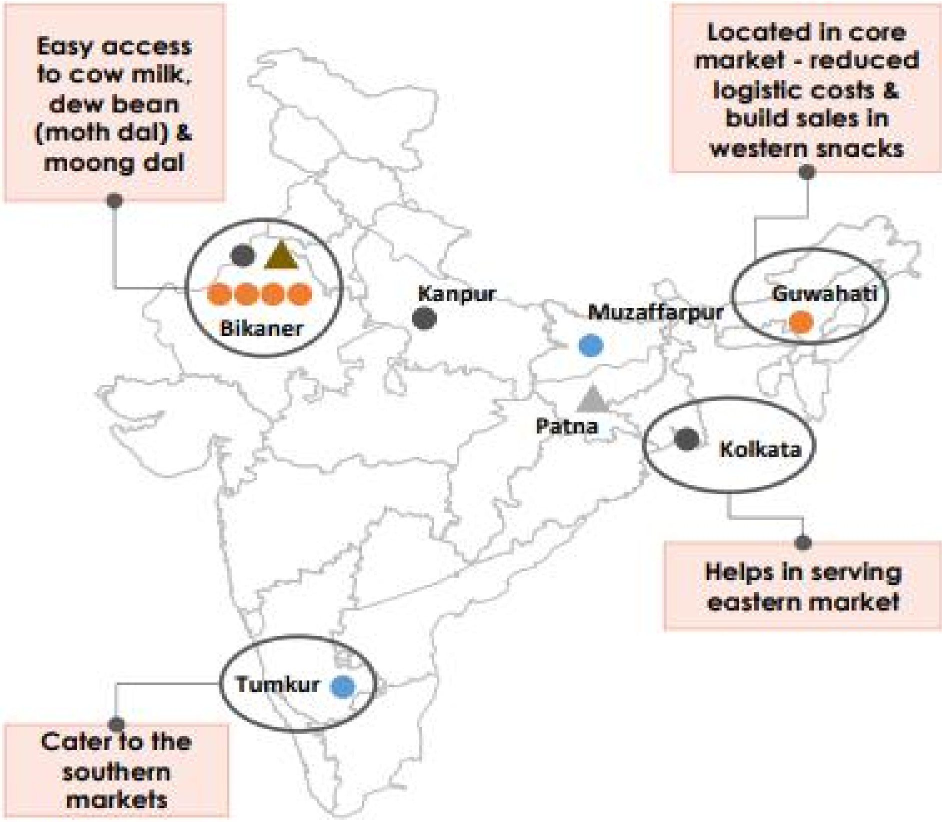
The company's strategic location of manufacturing units near raw-material sources and key markets ensures efficient procurement and distribution. With enhanced distribution and strong brand recall, BFL is well-positioned to drive sales in focused markets. Its existing capacity is sufficient for near-term demand, with a gradual increase capacity utilization to 70% over the next 3-4 years, which is expected to drive operational efficiencies and contribute a 30-50bp annual improvement in EBITDA margin.

Exhibit 95: Manufacturing plant and capacity

Location	Installed Capacity (MT)	Capacity Utilization	Type
Bikaner	2,37,120	53%	Primary Facility
Assam	19,200	36%	Primary Facility
Frozen	9,600	10%	Primary Facility
Muzzafarpur	4,800	25%	Primary Facility
Bangalore	13,800	55%	Primary Facility
3 P's	40,800	23%	Third Party
Total	**3,25,320**	**47%**	

Source: Company, MOFSL

Exhibit 96: Strategically located manufacturing facilities



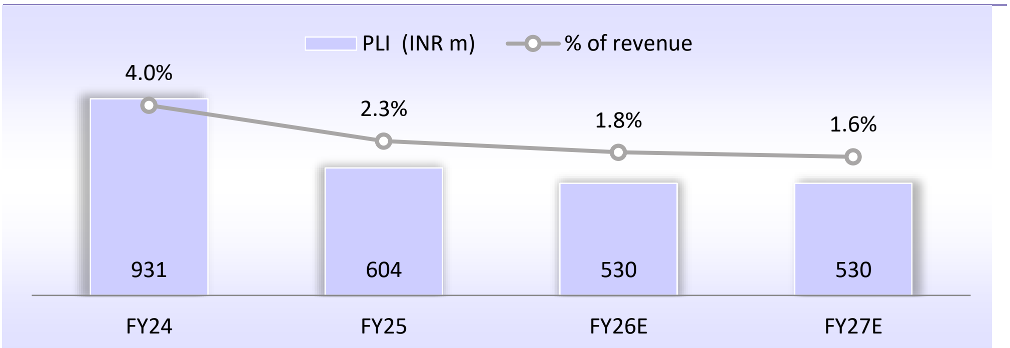
Source: Company, MOFSL

The rapidly evolving Indian snacks industry has prompted BFL to adopt advanced, technology-driven production and distribution processes that enhance operational productivity, supply chain efficiency, and consumer engagement while maintaining best-in-class quality. Nearly all manufacturing operations are fully automated and integrated with a robust ERP system, enabling seamless production-demand alignment and optimal utilization of technology and best practices. New infrastructure investments, such as the INR600–650m large under-construction warehouse in Bikaner, will streamline logistics and boost throughput, supporting profitability as volumes scale regionally. Expanded capacity also facilitates deeper penetration in focus states and reduces logistics costs, particularly for categories like western snacks. The operational frozen foods facility supports export growth and the emerging quick-service restaurant (QSR) segment while reducing reliance on third-party sourcing. This infrastructure-led strategy strengthens BFL's dual-growth model for family and impulse packs by improving cost efficiency and securing long-term competitive advantage.

Capacity-linked PLI boosts operational efficiency and capital productivity

- BFL has committed ~INR4.4b under the Production Linked Incentive (PLI) Scheme – Category I, Segment Ready-to-Cook/Ready-to-Eat covering FY21–24 across direct and contract manufacturing units and subsidiaries. The company has been sanctioned incentives totaling around INR2.6b, receivable over FY22–27, with about INR1b yet to be received during FY26 and FY27.
- Additionally, BFL has secured a separate PLI incentive for international branding and marketing, committing INR465m to global brand promotion through FY26, with a maximum incentive of INR230m under this component. In aggregate, BFL's PLI-related commitments amount to INR4.8b, with expected incentives reaching INR2.8b. These incentives provide a significant direct inflow, contributing roughly 200bp to EBITDA margins in recent quarters and supporting strong PAT growth, thereby enhancing operational efficiency and capital productivity.

Exhibit 97: PLI incentive as a % of revenue



Source: Company, MOFSL

Leveraging branding strategy for market leadership

Brand building and communication strategies to drive market leadership

BFL's robust pan-India branding, celebrity endorsements, and targeted marketing initiatives have built strong brand equity.

- BFL's brand-building strategy is central to its market leadership and long-term growth objectives. The company consistently allocates over 2% of revenues to advertising and promotion (A&P) to maintain strong visibility across channels and regions. Additionally, the company undertakes below-the-line (BTL) initiatives, enabling differentiated and targeted campaigns. Moving forward, BFL plans to sustain these investment levels, with A&P expenditures expected to remain ~2-2.5% of revenues, ensuring continued brand momentum and deep consumer engagement.
- More importantly, BFL has consistently invested in strengthening its brand recall, establishing itself as one of India's leading snack brands. The company has unified its product portfolio under the single BFL brand, fostering stronger consumer loyalty and recognition. In 2019, BFL engaged *Amitabh Bachchan* as its brand ambassador, leveraging his iconic status to enhance visibility with the memorable rhyming jingle – *Amit ji loves Bikaji.*
- Despite operating in a highly competitive market, BFL has built strong brand equity, particularly excelling in the family pack segment, where it holds high salience compared to the industry's focus on impulse packs. The current endorsement agreement with Bachchan is set to expire this year, but management remains optimistic about renewal. The company has also produced several television commercials (TVCs) during the year and continues to focus on strengthening its brand communication strategy to sustain and expand its market presence.

Exhibit 98: BFL's marketing initiatives

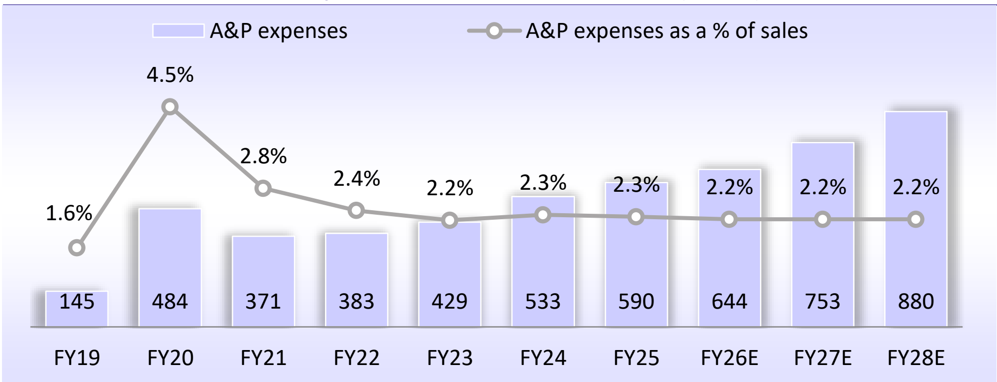
Source: Company, MOFSL

BFL's pan-India marketing spans television, radio, print, digital platforms, social media, outdoor promotions, and sponsorships of sports and cultural events. We note innovative campaigns such as the '*Bikaji Khao, London Jao', 'Bhujia ho toh Bikaji'* and '*Kya Baat Hai Ji*' promotion have successfully driven consumer engagement and sales growth. The company also maintains sustained above-the-line (ATL) strategies, including extra grammage offers and QR code–based cashback promotions, reinforcing brand connection and market traction.

In focus states, where BFL is scaling from a low base, branding emphasizes quality, distribution expansion, and brand familiarity rather than heavy discounting to secure shelf space and consumer trust. Recently, BFL launches *'Kya Baat Hai Ji'* with Pankaj Tripathi in UP market for focused campaign. Strong brand equity facilitates faster acceptance in new markets and helps maintain pricing power to protect margins amid raw material inflation.

Looking ahead, BFL plans targeted programs and partnerships with leading retail outlets to boost brand visibility, drive premiumization, and support same-store sales growth. The company also aims to expand product visibility in new states through sustained branding and marketing efforts, enhancing overall brand equity.

Exhibit 99: Advertisement expenses to remain under control (INR m)



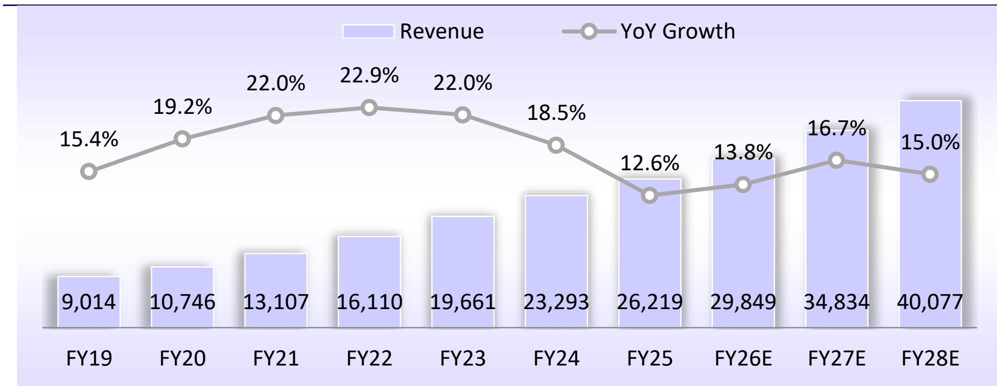
Source: Company, MOFSL

Financial outlook

Revenue CAGR estimated at 15% over FY25-28

BFL has sustained impressive growth momentum, with revenues expanding at a 19.5% CAGR over FY19–25, underpinned by broad-based growth across core categories. Western snacks, sweets, namkeen and bhujia, delivered robust CAGRs of 32.2%, 20.2%, 20.4% and 15.9% respectively, while papad reported a steady 13.7% CAGR. This performance was supported by strong regional traction core markets clocked a 17.6% CAGR, and focus markets posted a 19.6% CAGR over the same period. Looking ahead, BFL is poised to maintain its healthy growth trajectory, with revenues forecasted to rise at a 15.2% CAGR (Ex-PLI CAGR of 16%) over FY25-28E.

Exhibit 100: Revenue to exhibit a 15.2% CAGR over FY25-28 (with PLI) (INR m)



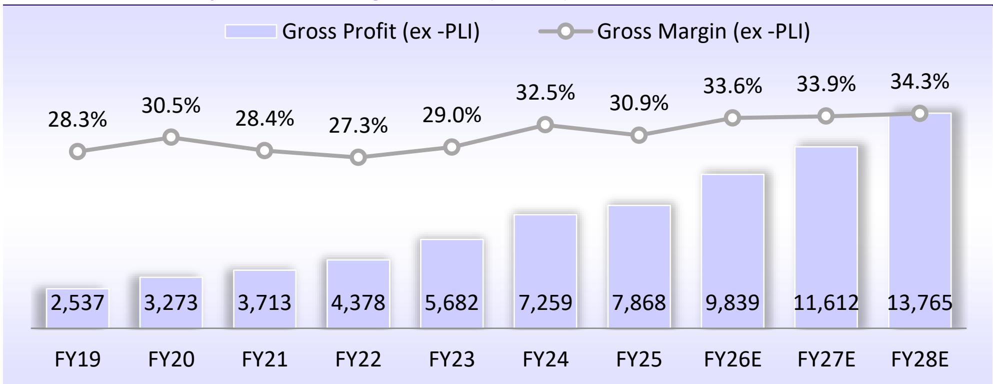
Source: Company, MOFSL

Margin expansion to sustain

Gross margin (Ex -PLI) estimated to reach over 34.3% in FY28

Over FY21-23, BFL's margins were challenged by inflationary headwinds, particularly in edible oils and pulses. In FY25, margins moderated to 30.9% due to renewed inflationary pressures on key inputs. Looking forward, disciplined raw material management, an improved mix (with higher family pack sales), and operational efficiencies should support steady margin expansion. The company is well-positioned to deliver predictable and healthy margin progression, with gross margin forecast to rise to 34.3% (ex -PLI) by FY28E.

Exhibit 101: Gross profit and margin trends (INR m)

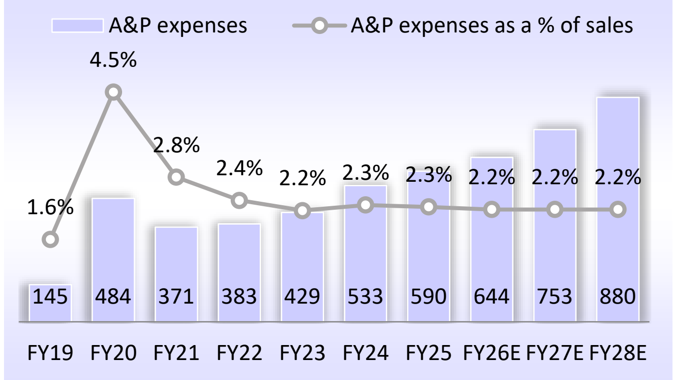


Source: Company, MOFSL

Advertisement spending: Long-term brand leverage

BFL's sustained advertising and promotion (A&P) expenses of ~2% of sales have solidified strong brand recall, even amid the challenges of Covid-19 and inflationary periods. The renewal of its partnership with *Amitabh Bachchan* ensures the continuation of high-visibility campaigns, bolstering its national distribution expansion. Recently, BFL launches *'Kya Baat Hai Ji'* with Pankaj Tripathi in UP market for focused campaign. While near-term A&P spending is expected to increase, long-term optimization will seek to balance growth ambitions with cost efficiency. BFL's unwavering focus on brand building leveraging celebrity endorsements and multi-channel outreach positions it well to deepen consumer engagement and sustain market share gains in the competitive snack industry.

Exhibit 102: A&P spending (INR m & as a % of revenue)



Source: Company, MOFSL

Exhibit 103: A&P spending as a % of revenue for listed peers

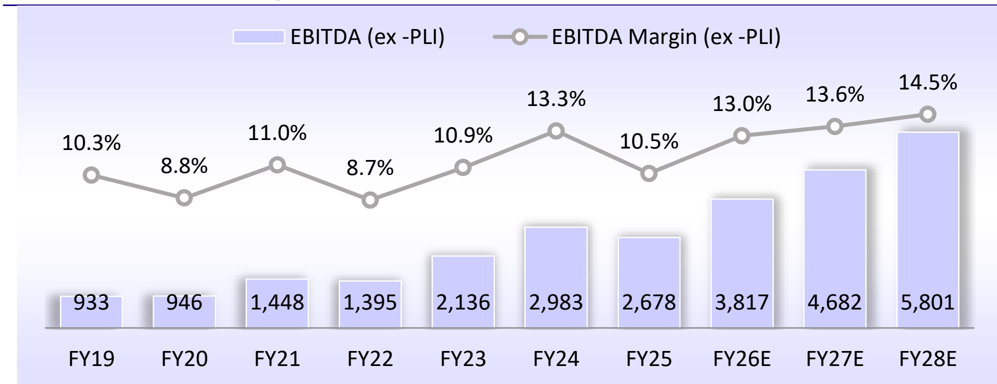
%	FY21	FY22	FY23	FY24	FY25
BFL	2.8	2.4	2.2	2.3	2.3
GSL	0.0	0.1	0.3	0.6	1.1
PSL	0.6	0.8	0.8	1.2	1.1

Source: Company, MOFSL

EBITDA margin to inch up

BFL's EBITDA margin profile, previously hit by raw material cost volatility, is now on a recovery trajectory. Stabilization in edible oil and pulse prices, combined with the company's ability to implement calibrated price increases across bulk and small pack segments, has helped create a buffer against short-term input fluctuations. Additionally, the government-approved PLI scheme provides a structural tailwind, with sanctioned incentives totaling INR2.6b over five years. We incorporate the benefits of INR604m in FY25 and ~INR530m annually in FY26 & FY27. These, coupled with operational leverage, are expected to drive EBITDA margin expansion of ~402bp over FY25–28, supporting a strong 29.4% EBITDA CAGR.

Exhibit 104: EBITDA margin trends (INR m)



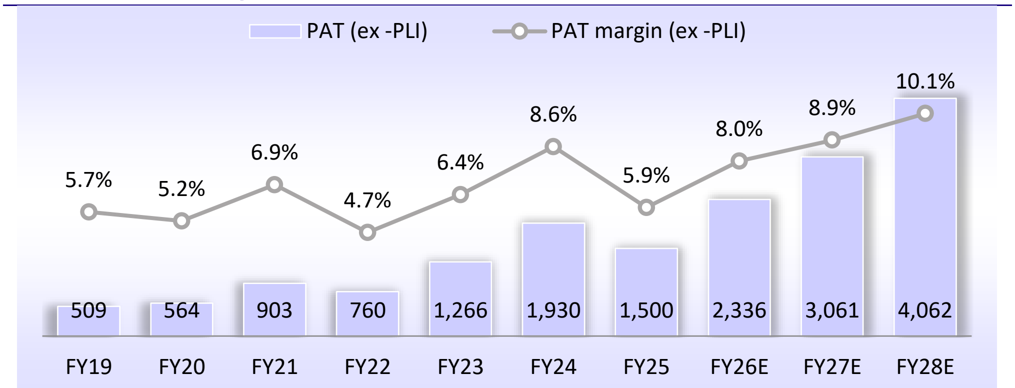
Source: Company, MOFSL

PAT Margin estimated at 10.1% in FY28

BFL is poised for a strong earnings recovery, with PAT expected to grow at a robust CAGR of 39.4% (ex -PLI) over FY25–28, supported by resilient revenue growth and margin expansion. The company has grown its net profit (ex -PLI) from INR760m in FY22 (PAT margin: 4.7%) to INR1.5b in FY25, with margins improving to 5.9%. This improvement reflects the benefits of increased scale, a premiumizing product portfolio, and disciplined cost control.

Looking forward, BFL is well-positioned to sustain this growth momentum, with PAT projected to reach INR4.0b by FY28, accompanied by further margin expansion to ~10.1%.

Exhibit 105: PAT Margin estimated at 10.1% in FY28 (INR m)

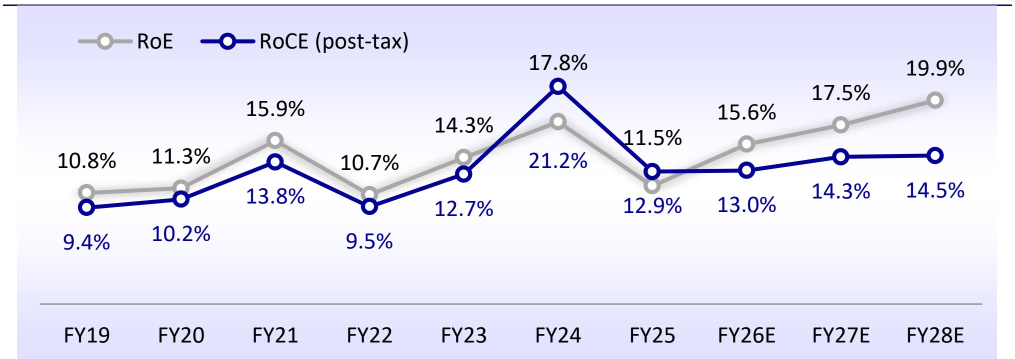


Source: Company, MOFSL

Return ratios to be maintained ~20% in FY28E

BFL's return on capital employed (RoCE) and return on equity (RoE) have improved significantly from FY22 to FY25, driven by stronger profitability and improved asset turnover. However, elevated input cost inflation and increased capex in FY25 temporarily moderated these returns. Going forward, BFL's return ratios are projected to steadily improve over FY25-28, fueled by healthy revenue growth, easing input costs, and enhanced asset utilization. With improving margins, higher asset turns, and a leaner asset-to-equity ratio, BFL is positioned to deliver an ROE ~20% by FY28, underscoring strong value creation potential.

Exhibit 106: RoE estimated to reach ~20% in FY28

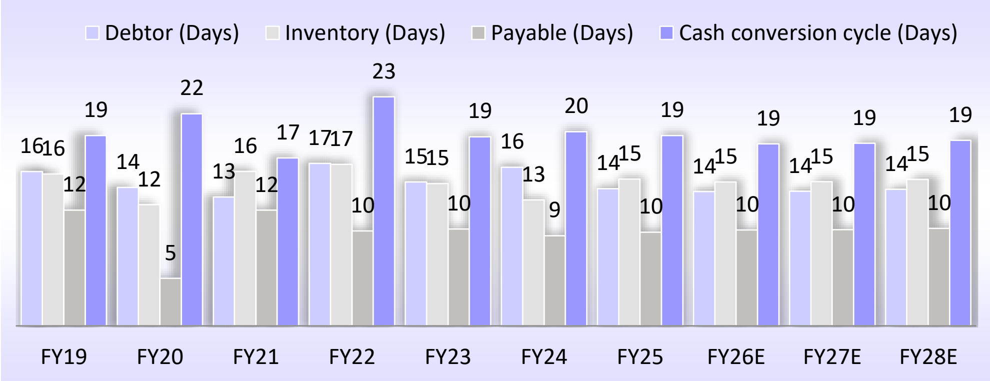


Source: Company, MOFSL

Steady cash conversion cycle

BFL maintains a stable cash conversion cycle, with inventory and receivable days closely managed at around 15 days each, and payable days averaging near 10 days. The company's limited reliance on modern trade channels supports efficient working capital management through a streamlined supply chain, keeping overall working capital requirements steady. This disciplined approach optimizes cash flow and reinforces operational liquidity.

Exhibit 107: Steady cash conversion cycle

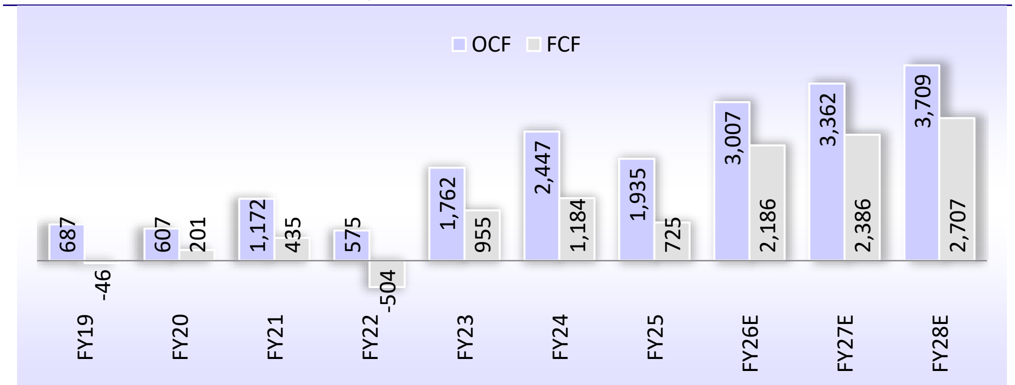


Source: Company, MOFSL

OCF/FCF trend to improve

BFL is among the few listed snack companies that have consistently generated positive FCFF over the past five years. We expect this trend to continue over the next 2–3 years, supported by strong demand and limited capex requirements.

Exhibit 108: OCF/FCF trend to improve (INR m)



Source: Company, MOFSL

Valuation and view: Initiate coverage with a BUY rating

We expect BFL to benefit from:

- the strong demand across both traditional fast-growing snacking spaces, such as Namkeen, and new demand spaces, such as ethnic and healthy snacks, addressing mass and premium market segments.
- its competitive positioning and broad consumer appeal. Additionally, the company's dominance in the ethnic snacking category not only enhances its brand perception but also fortifies its prospects for sustained growth and profitability.
- BFL's product-led approach – focused on building intrinsic brand equity through superior product quality, innovation, and design – further differentiates it in a competitive landscape.
- **We value the stock using a DCF methodology to arrive at our TP of INR900. Accordingly, we initiate coverage on the stock with a BUY rating.**

Exhibit 109: Relative valuation comparison of coverage companies

Companies	Mcap (INRb)	CMP (INR)	TP (INR)	Upside (%)	Rating	EPS (INR)			P/E (X)			EV/EBITDA (X)			RoE (%)		
						FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Bikaji Foods	**184**	**736**	**900**	**22%**	**BUY**	**9.3**	**12.2**	**16.2**	**78.9**	**60.2**	**45.4**	**42.4**	**35.3**	**31.7**	**15.6**	**17.5**	**19.9**
Gopal Snacks	40	319	400	25%	BUY	4.5	6.5	10.0	70.8	48.8	31.9	36.9	27.9	20.0	13.1	16.9	22.3
Prataap Snacks	29	1201	1500	25%	BUY	7.9	18.8	33.4	152.6	63.7	35.9	30.8	21.3	15.0	2.7	6.2	10.1
Mrs Bectors	76	248	280	13%	NEUTRAL	5.0	6.5	8.2	49.9	38.0	30.2	27.4	22.4	18.7	12.5	14.8	16.5

Source: Company, Bloomberg, MOFSL

Exhibit 110: Projected free cash flows (INR m)

Particulars	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue	**29,849**	**34,834**	**40,077**	**45,889**	**52,457**	**59,486**	**67,457**	**76,497**	**86,747**	**98,371**
Growth % YoY	14%	17%	15%	15%	14%	13%	13%	13%	13%	13%
EBITDA	**3,817**	**4,682**	**5,801**	**6,682**	**7,708**	**9,101**	**10,388**	**11,857**	**13,446**	**15,248**
EBITDA %	12.8%	13.4%	14.5%	14.6%	14.7%	15.3%	15.4%	15.5%	15.5%	15.5%
Less: Capex	(821)	(975)	(1,002)	(964)	(1,102)	(1,190)	(1,349)	(1,530)	(1,301)	(1,771)
Less: Change in Working Capital	(429)	(698)	(809)	(813)	(919)	(892)	(1,012)	(1,147)	(1,301)	(1,476)
Less: Taxation	(733)	(952)	(1,235)	(1,444)	(1,694)	(2,048)	(2,375)	(2,748)	(3,151)	(3,609)
Free Cash Flows	**1,833**	**2,058**	**2,755**	**3,461**	**3,993**	**4,971**	**5,653**	**6,432**	**7,692**	**8,392**

Source: MOFSL

Exhibit 111: DCF summary (INR m)

WACC	**8.9%**
NPV	67,653
TVGR	5.0%
NPV of TV	1,58,054
Enterprise Value	2,25,706
Cash and Cash Equivalents	2191
Debt	-2,309
Equity Value	2,25,588
No of Equity Shares (m)	250
Value Per Share (INR)	900
CMP (INR)	736
Upside	22%

Source: MOFSL

Bull and Bear cases

Bull case

- ☑ In our Bull case scenario, we factor in a 18% revenue CAGR over FY25-28E, driven by a higher volume growth.
- ☑ Further, with higher volumes, we expect operating leverage to improve EBITDA margin to 14.6% by FY28 (from 10.5% in FY25).

Bear case

- ☑ In our Bear case scenario, we factor in a 12% revenue CAGR over FY25-28E, driven by a lower volume growth.
- ☑ Further, with higher volumes, we expect operating leverage to improve EBITDA margin to 14.4% by FY28 (from 10.5% in FY25).

Exhibit 112: Scenario analysis

Particulars	Bear case			Base Case			Bull case		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Revenue (INR m)	29,063	33,045	37,026	29,849	34,834	40,077	30,636	36,671	43,290
EBITDA (INR m)	3,687	4,409	5,322	3,817	4,682	5,801	3,948	4,966	6,309
APAT (INR m)	2,074	2,655	3,583	2,204	2,929	4,062	2,335	3,212	4,570
Change YoY (%)	38.3	28.0	35.0	46.9	32.9	38.7	55.7	37.6	42.3
Revenue Growth (%)	10.8	13.7	12.0	13.8	16.7	15.0	16.8	19.7	18.0
EBITDA Margin (%)	12.7	13.3	14.4	12.8	13.4	14.5	12.9	13.5	14.6
RoE (%)	14.4	15.8	18.1	15.2	17.2	20.1	16.0	18.7	22.2
EPS (INR)	8.3	10.6	14.3	8.8	11.7	16.2	9.3	12.8	18.3
Target Equity Value (INR m)	**1,62,663**			**2,25,626**			**3,00,386**		
Outstanding Shares (Nos m)	250.3			250.3			250.3		
Target price (INR)	**650**			**900**			**1,200**		
CMP (INR)	736			736			736		
Upside/Downside	**-12%**			**22%**			**63%**		

Source: MOFSL

Key Risks

Raw material price volatility

BFL's margins remain exposed to fluctuations in prices of critical inputs such as edible oils, spices, and seasonal grams with limited pricing flexibility.

Geographical concentration risk

Over 70% of revenue is derived from Rajasthan, Assam, and Bihar which heightens vulnerability to regional disruptions.

Intensifying competition

BFL faces escalating competition from established national & regional players and emerging entrants on strategies like aggressive pricing, broader retail footprints, or enhanced innovation.

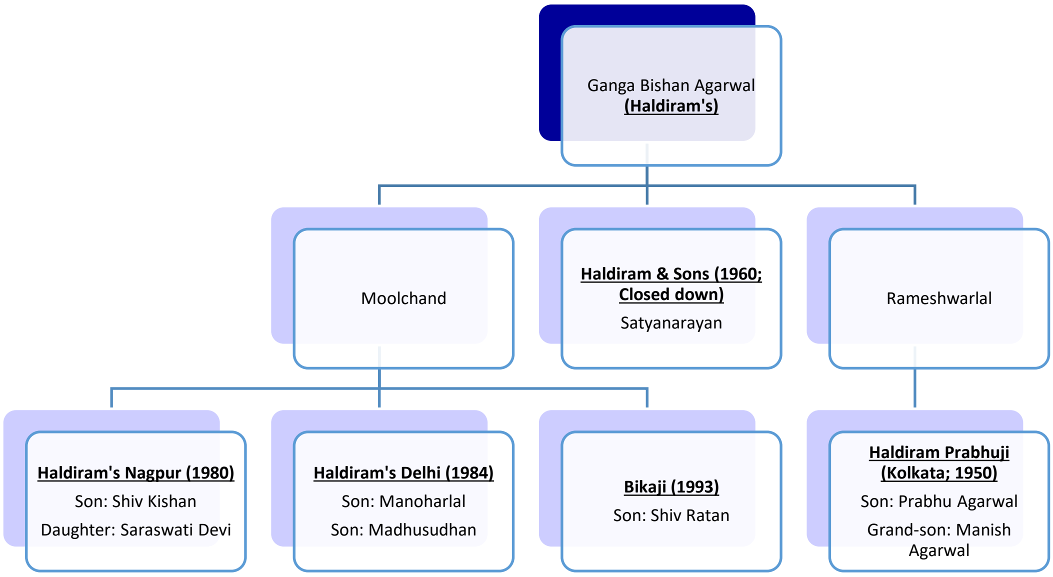
Potential entry of a large player in Rajasthan

~34% of BFL's revenues are derived from Rajasthan; any change in Haldiram's stance on scaling operations in the state could significantly impact BFL's market share and revenues.

Company background

Founded in 1993 by Shri Shivratan Agarwal grandson of Haldiram's founder BFL has grown into one of India’s leading ethnic snacks companies, blending tradition with innovation. Shri Agarwal, who was inspired by his family’s legacy and his pursuit of technology, established BFL after leaving Haldiram’s family business to create his own brand, drawing from the rich culinary heritage of Bikaner. Over more than three decades, BFL has expanded its product portfolio to include bhujia, namkeen, sweets, papad, western snacks, cookies, frozen foods, and gift assortments. It holds the position of the third-largest ethnic snacks company in India and is recognized for its large-scale production capacities of Bikaneri bhujia, handmade papad, and other traditional confectionery. The company has established a strong presence in core markets like Rajasthan, Assam, and Bihar, while expanding nationwide across 28 states and seven union territories. Globally, BFL exports to 43 countries across North America, Europe, the Middle East, Africa, and the Asia-Pacific.

Exhibit 113: Family and business structure



Source: Company, MOFSL

Management Team

Exhibit 114: Senior Management Team

Leader	Role	Experience
Mr. Shiv Ratan Agarwal	Chairman and Whole-time Director	❖ Founder of BFL with over 30 years of experience in ethnic snacks and sweets, instrumental in scaling BFL into a leading Indian ethnic snacks brand
Mr. Deepak Agarwal	Managing Director	❖ 20 years of experience in ethnic snacks and sweets, and also holds directorships in multiple companies, including Hanuman Agrofood, Mastkin Foods, Petunt Food Processors. He holds a PGDM from SPJIMR
Mr. Manoj Verma	Chief Operating Officer	❖ 24 years of experience in sales and marketing, and was previously associated with Colgate-Palmolive (India), Mrs. Bectors Food Specialties, Mondelez India Food
Mr. Rishabh Jain	Chief Financial Officer	❖ 14 years of experience in finance, and a Chartered Accountant by qualification, joined BFL in 2015. He has a strategic role in financial planning, budgeting, fundraising, risk management, and capital discipline.

Source: Company, MOFSL

ESG initiatives

Environment

- BFL is actively reducing its GHG emissions by enhancing energy efficiency across operations, partnered with certified waste management firms to manage plastic waste, and taken water conservation efforts to minimize consumption and improve responsible usage across manufacturing units.
- The company is also focused on sustainable packaging alternatives as part of its broader commitment to lowering environmental impact in plastics & packaging.

Social

- BFL prioritizes the health and welfare of its employees and the communities around its operations through various engagement and wellness programs.
- The company is dedicated to upholding human rights across its supply chain, ensuring suppliers adhere to fair labor standards and ethical sourcing practices.

Governance

- Maintaining high ethical standards, BFL emphasizes compliance, accountability, and transparency in all business areas.
- The company integrates responsible sourcing of raw materials aligned with environmental and social criteria as part of its ESG commitments.

SWOT analysis

Financials and valuations

Consolidated Income Statement (INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	**9,014**	**10,746**	**13,107**	**16,110**	**19,661**	**23,293**	**26,219**	**29,849**	**34,834**	**40,077**
Change (%)		*19.2*	*22.0*	*22.9*	*22.0*	*18.5*	*12.6*	*13.8*	*16.7*	*15.0*
Total Expenses	8,081	9,800	11,660	14,714	17,525	19,380	22,936	25,502	29,622	34,276
Gross Profit	2,570	3,296	3,739	4,407	5,709	8,209	8,472	10,369	12,142	13,765
EBITDA	**933**	**946**	**1,448**	**1,395**	**2,136**	**3,913**	**3,282**	**4,347**	**5,212**	**5,801**
EBITDAM (%)	*10.3*	*8.8*	*11.0*	*8.7*	*10.9*	*16.8*	*12.5*	*14.6*	*15.0*	*14.5*
Depn. & Amortization	228	342	331	383	471	601	815	929	936	940
EBIT	**705**	**604**	**1,116**	**1,012**	**1,665**	**3,313**	**2,467**	**3,418**	**4,276**	**4,861**
Net Interest	39	51	30	67	106	107	151	168	158	158
Other income	93	84	115	105	147	273	329	395	494	642
PBT	**759**	**636**	**1,201**	**1,050**	**1,706**	**3,479**	**2,645**	**3,645**	**4,612**	**5,344**
EO expense	0	0	0	0	0	0	0	0	0	0
PBT after EO	759	636	1,201	1,050	1,706	3,479	2,645	3,645	4,612	5,344
Tax	249	73	298	290	440	845	701	911	1,153	1,283
Rate (%)	32.9	11.4	24.8	27.6	25.8	24.3	26.5	25.0	25.0	24.0
Reported PAT	**509**	**564**	**903**	**760**	**1,266**	**2,635**	**1,943**	**2,734**	**3,459**	**4,062**
Minority and Associates	0	0	0	0	0	0	0	0	0	0
Adjusted PAT	**509**	**564**	**903**	**760**	**1,266**	**1,930**	**1,500**	**2,336**	**3,061**	**4,062**
Change (%)		*10.7*	*60.3*	*-15.8*	*66.5*	*52.4*	*-22.3*	*55.8*	*31.0*	*32.7*

Consolidated Balance Sheet (INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	243	243	243	250	250	250	251	251	251	251
Reserves	4,455	5,049	5,814	7,958	9,287	11,933	13,581	15,905	18,672	21,718
Net Worth	**4,698**	**5,292**	**6,057**	**8,208**	**9,536**	**12,184**	**13,832**	**16,155**	**18,922**	**21,969**
Minority Interest	0	0	18	-1	-14	-22	974	974	974	974
Total Loans	735	540	874	1,597	1,695	1,663	2,309	2,109	2,109	2,109
Other long-term liabilities	408	375	325	343	312	481	1,018	1,120	1,176	1,235
Capital Employed	**5,841**	**6,207**	**7,274**	**10,147**	**11,530**	**14,305**	**18,133**	**20,359**	**23,182**	**26,287**
Gross Block	4,795	5,292	5,933	7,088	9,068	10,871	13,431	14,731	15,706	16,708
Less: Accum. Deprn.	762	1,100	1,433	1,811	2,213	2,813	3,628	4,558	5,494	6,434
Net Fixed Assets	**4,033**	**4,192**	**4,500**	**5,276**	**6,856**	**8,058**	**9,803**	**10,173**	**10,213**	**10,275**
Capital WIP	131	29	361	494	697	123	957	479	479	479
Investments	30	365	688	1,263	203	1,065	945	2,945	4,945	6,945
Other long-term assets	84	118	125	329	119	1,126	570	570	570	570
Curr. Assets	**2,031**	**2,063**	**2,498**	**3,658**	**4,841**	**4,963**	**7,093**	**7,626**	**8,653**	**9,977**
Inventory	383	365	568	729	784	821	1,079	1,202	1,407	1,644
Account Receivables	390	417	473	733	792	1,035	1,009	1,122	1,313	1,534
Cash and Bank Balances	1,127	1,053	1,156	1,622	1,800	1,774	2,191	2,095	2,181	2,415
Others	131	227	301	574	1,465	1,332	2,814	3,206	3,752	4,384
Curr. Liability & Prov.	**468**	**560**	**897**	**874**	**1,187**	**1,030**	**1,234**	**1,434**	**1,677**	**1,958**
Account Payables	293	143	425	428	534	589	689	802	938	1,096
Provisions & Others	176	417	472	446	653	440	545	632	739	862
Net Curr. Assets	**1,562**	**1,503**	**1,601**	**2,784**	**3,655**	**3,933**	**5,859**	**6,192**	**6,976**	**8,019**
Appl. of Funds	**5,841**	**6,207**	**7,274**	**10,147**	**11,530**	**14,305**	**18,133**	**20,359**	**23,182**	**26,287**

E. MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)										
EPS	20.9	23.2	37.2	3.0	5.1	7.7	6.0	9.3	12.2	16.2
Growth (%)		**10.7**	**60.3**	**-91.8**	**66.5**	**52.0**	**-22.3**	**55.8**	**31.0**	**32.7**
Cash EPS	30.3	37.2	50.8	4.6	7.0	10.1	9.2	13.0	16.0	20.0
BV/Share	193.2	217.6	249.1	32.9	38.2	48.7	55.3	64.5	75.6	87.8
DPS	0.0	0.0	0.0	0.0	0.8	1.0	1.0	1.6	2.8	4.1
Payout (%)	0.0	0.0	0.0	0.0	14.8	13.0	16.7	17.6	22.6	25.0
Dividend yield (%)				0.0	0.1	0.1	0.1	0.2	0.4	0.5
Valuation (x)										
P/E	0.0	0.0	0.0	243.2	146.0	96.1	123.7	78.9	60.2	45.4
Cash P/E	0.0	0.0	0.0	161.7	106.5	73.3	80.1	56.4	46.1	36.8
P/BV	0.0	0.0	0.0	22.5	19.4	15.2	13.4	11.4	9.7	8.4
EV/EBITDA	-0.4	-0.5	-0.2	132.5	86.5	47.4	56.5	42.7	35.6	31.9
Dividend Yield (%)				0.0	0.1	0.1	0.1	0.2	0.4	0.5
Return Ratios (%)										
EBITDA Margin (%)	10.3	8.8	11.0	8.7	10.9	16.8	12.5	14.6	15.0	14.5
Net Profit Margin (%)	5.7	5.2	6.9	4.7	6.4	8.3	5.7	7.8	8.8	10.1
RoE	10.8	11.3	15.9	10.7	14.3	17.8	11.5	15.6	17.5	19.9
RoCE (post-tax)	9.4	10.2	13.8	9.5	12.7	21.2	12.9	13.0	14.3	14.5
RoIC (post-tax)	10.6	11.7	17.5	12.9	16.3	26.5	15.3	18.5	21.9	23.9
Working Capital Ratios										
Fixed Asset Turnover (x)	2.2	2.6	2.9	3.1	2.9	2.9	2.7	2.9	3.4	3.9
Asset Turnover (x)	1.5	1.7	1.8	1.6	1.7	1.6	1.4	1.5	1.5	1.5
Debtor (Days)	16	14	13	17	15	16	14	14	14	14
Inventory Days)	16	12	16	17	15	13	15	15	15	15
Payable (Days)	12	5	12	10	10	9	10	10	10	10
Cash conversion cycle (Days)	19	22	17	23	19	20	19	19	19	19

Consolidated Cash flow statement (INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PBT	**759**	**636**	**1,201**	**1,050**	**1,706**	**3,479**	**2,645**	**3,645**	**4,612**	**5,344**
WC	-70	-261	-138	-498	-33	-761	-848	-429	-698	-809
Others	213	348	282	434	554	485	783	702	601	457
Direct taxes (net)	-214	-117	-173	-411	-466	-757	-646	-911	-1,153	-1,283
CF from Op. Activity	**687**	**607**	**1,172**	**575**	**1,762**	**2,447**	**1,935**	**3,007**	**3,362**	**3,709**
Capex	-733	-405	-737	-1,078	-806	-1,263	-1,210	-821	-975	-1,002
FCFF	**-46**	**201**	**435**	**-504**	**955**	**1,184**	**725**	**2,186**	**2,386**	**2,707**
Interest income	63	75	83	58	119	185	213	395	494	642
Others	-246	-305	-487	-1,296	-594	-911	-309	-2,000	-2,000	-2,000
CF from Inv. Activity	**-915**	**-635**	**-1,141**	**-2,316**	**-1,281**	**-1,988**	**-1,306**	**-2,426**	**-2,482**	**-2,360**
Share capital	1,220	0	0	1,348	0	128	94	0	0	0
Borrowings	-505	-144	-186	362	60	-277	-410	-200	0	0
Finance cost	-37	-49	-29	-65	-101	-97	-104	-168	-158	-158
Dividend	-59	-59	-49	-50	-25	-187	-250	-410	-692	-1,015
Others	-222	-63	173	93	17	-105	113	0	0	0
CF from Fin. Activity	**398**	**-315**	**-91**	**1,688**	**-49**	**-539**	**-557**	**-778**	**-850**	**-1,174**
(Inc)/Dec in Cash	**170**	**-343**	**-59**	**-53**	**432**	**-81**	**71**	**-197**	**30**	**175**
Opening balance	3	172	-171	-229	-283	149	68	140	-58	-28
Closing balance	**172**	**-171**	**-230**	**-283**	**149**	**68**	**140**	**-58**	**-28**	**147**

E. MOFSL Estimates

Gopal Snacks

BSE Sensex	S&P CNX
85,063	26,179

Stock Info

Bloomberg	GOPAL IN
Equity Shares (m)	125
M.Cap.(INRb)/(USDb)	39.8 / 0.4
52-Week Range (INR)	398 / 253
1, 6, 12 Rel. Per (%)	-2/-12/-23
12M Avg Val (INR M)	53
Free float (%)	18.5

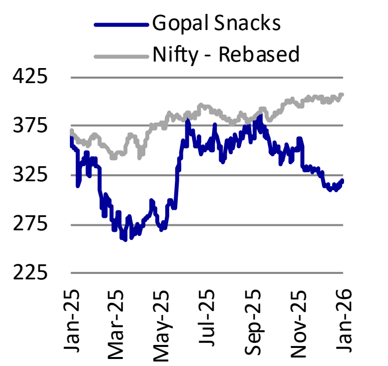
Financial Snapshot (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	15.5	17.7	20.4
Adj. EBITDA	1.1	1.4	1.9
Adj. EBITDA (%)	7.0	8.0	9.5
Adj. PAT	0.6	0.8	1.2
Adj. EPS (INR)	4.5	6.5	10.0
Adj. EPS Gr. (%)	-15.1	44.9	53.0
BV/Sh. (INR)	36.1	41.0	48.5
Ratios			
Net D/E	0.0	-0.1	-0.2
RoE (%)	13.1	16.9	22.3
RoCE (%)	10.6	13.8	18.2
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	70.8	48.8	31.9
P/B (x)	8.8	7.8	6.6
EV/EBITDA (x)	36.9	27.9	20.0
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	81.5	81.5	81.5
DII	6.7	7.1	5.7
FII	0.9	1.4	2.3
Others	10.9	10.0	10.6

Stock Performance (1-year)



CMP: INR319 TP: INR400 (+25%) Buy

From Rajkot kitchen to pan-India presence!

- **Gopal Snacks (GSL) is India's largest player in the Gathiya segment. Over the past 4-5 years, it has progressively diversified into namkeen, snack pellets, and wafers. GSL's portfolio includes five main brands – Gopal, Cristos, Shot Go, Cornigo, and Bonova – spanning gathiya, namkeen, noodles, nachos, and spices. The top eight products contribute ~50% of the company's current sales.**
- **GSL commands ~24% organized market share in gathiya (~27% of sales), with a projected high single-digit growth rate. Namkeen (~25% of sales) is estimated to grow in the low teens, Snack Pellets (~18%) is likely to post low to mid teens, while Wafers (~11%) is anticipated to become the fastest-growing segment with a CAGR of 20% over FY25-28.**
- **We forecast a revenue/EBITDA/APAT CAGR of 12%/23%/23% over FY25-28. This will be fueled by operational efficiencies, including the ramp-up of the Modasa plant. We initiate coverage on the stock with a BUY rating and a DCF based target price of INR400, (implied P/E of 40x on FY28E).**

Diversified portfolio – From tradition to Innovation

GSL, India's largest manufacturer of gathiya, offers a diversified portfolio spanning 95 products and 366 SKUs across ethnic and western snacks through five key brands: Gopal, Cristos, Shot Go, Cornigo, and Bonova. The top 8 products derive ~50% of GSL's overall sales at present. Gathiya accounts for ~27% of revenue with a ~24% organized market share, and it is expected to grow in high single digits, while namkeen (~25%) is projected to grow in the low teens. Snack pellets (~18%) and wafers (~11%) are forecasted to clock ~11% and ~20% CAGR, respectively. The company's vertical integration and a 40,000MT cold storage facility at its Modasa plant provide end-to-end supply chain control, ensuring operational resilience and consistent product quality. GSL operates an extensive distribution network across 14 states and 2 Union Territories. Though Gujarat remains its core market, contributing 71% to its revenue, GSL is scaling up its operation in Maharashtra, Uttar Pradesh, Madhya Pradesh, Rajasthan, and Chhattisgarh.

Backward Integration coupled with owned fleet helped to control cost

GSL has adopted a comprehensive backward integration approach, producing critical raw materials such as besan, snack pellets, and key spices (chili, cumin, coriander, and turmeric) in-house through dedicated ancillary units. This vertical integration ensures consistent taste, texture, and quality, reduces dependence on external suppliers, and lowers overall production costs. Further, the company owns a fleet of 294 logistics vehicles, allowing tight control over supply chain operations and ensuring timely deliveries. These branded vehicles enhance visibility and brand recall during distribution. This vertically integrated logistics model has enabled GSL to maintain one of the lowest transportation costs in the industry, ~100bp lower than its listed peers, thereby providing a distinct competitive advantage in operational efficiency.

Strategic manufacturing capacity addition to fuel growth

GSL operates six manufacturing facilities, including primary plants at Rajkot, Modasa, & Nagpur, with a combined capacity of ~318,779MTPA, producing gathiya, namkeen, snack pellets, wafers, & extruded snacks. Following a December 2024 fire at the Rajkot plant, interim capacity was established at Gondal, with full restoration at Modasa and Rajkot expected by H2FY26; INR200m interim insurance has been received. The company's facilities are strategically located to optimize logistics and raw material sourcing. Gopal benefits from state subsidies totaling INR100–120m and has entered into long-term third-party manufacturing agreements in Hiryur (Karnataka), Kashipur (Uttarakhand) and Manendragarh (Chhattisgarh) to bolster southern, northern and eastern market presence. Currently, primary plants operate at ~39% capacity, offering significant scope for future scale-up.

Powering growth through distribution excellence

GSL maintains an extensive distribution network spanning 14 states and 2 Union Territories, comprising 858 distributors and 107 micro-distributors. The majority of sales (~75%) originate from Tier II and III cities, with Gujarat serving as the core market, contributing 71% of revenue, aided by 311 distributors and ~2,27K outlets. The focus markets – Maharashtra, Uttar Pradesh, Madhya Pradesh, Rajasthan, and Chhattisgarh – generate 25% of sales, with plans to expand through 100 additional distributors over the next 2–3 years, targeting over 25% growth. Emerging markets, including Jharkhand, Odisha, and Karnataka, currently account for about 4% of sales, growing at a CAGR of 37%, with expansion initiatives expected to sustain above ~35% growth. Following a fire at the Rajkot plant, GSL temporarily adopted a super stockist model but intends to revert to its traditional distributor-led structure as operations normalize.

Financial outlook

We expect GSL to deliver revenue growth in the low teens, driven by product diversification beyond gathiya, distribution expansion in focus markets, and a recovery in demand from its core market. Our projections model a CAGR of 12% in revenue, 23% in EBITDA, and 23% in adjusted PAT over FY25–FY28, supported by healthy volume growth and an improving margin profile. We expect GSL to deliver an FCF of INR2b over FY25-28, backed by healthy FCF/OCF and OCF/EBITDA conversion.

Valuation and view: Initiate coverage with a BUY rating

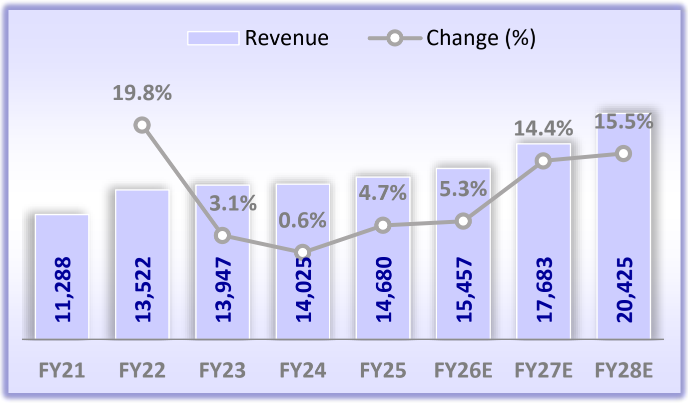
Led by improving margin performance and a projected improvement in RoE to 22.3% in FY28 from 16.6% in FY25, **we initiate coverage on GSL with a BUY rating and a DCF based target price of INR400, (implied P/E of 40x on FY28E)**.

Key risks

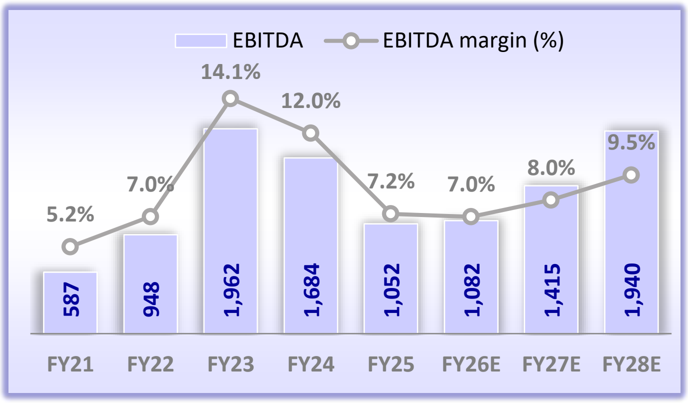
Key risks to our thesis include: 1) raw material cost volatility, 2) significant market concentration in Gujarat, 3) potential supply chain disruptions like manufacturing delays, and 4) stringent compliance requirements in food safety and packaging regulations. These factors could hit margins, growth prospects, and operational stability of the company.

STORY IN CHARTS

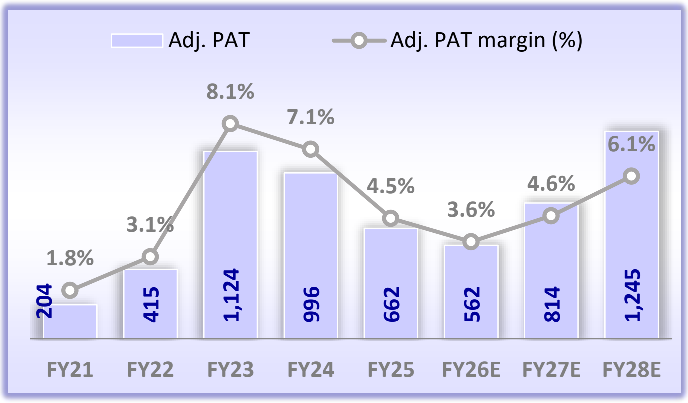
Revenue (INR m) and revenue growth (%)



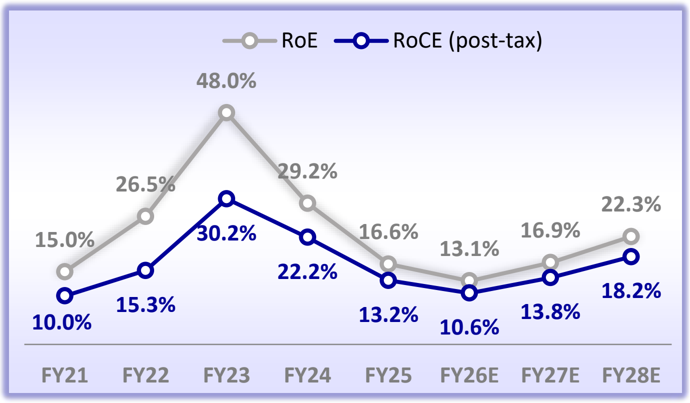
EBITDA (INR m) and EBITDA margin (%)



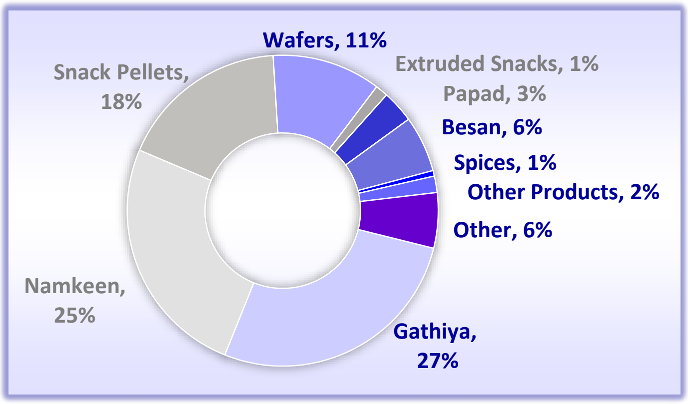
PAT (INR m) and PAT margin (%)



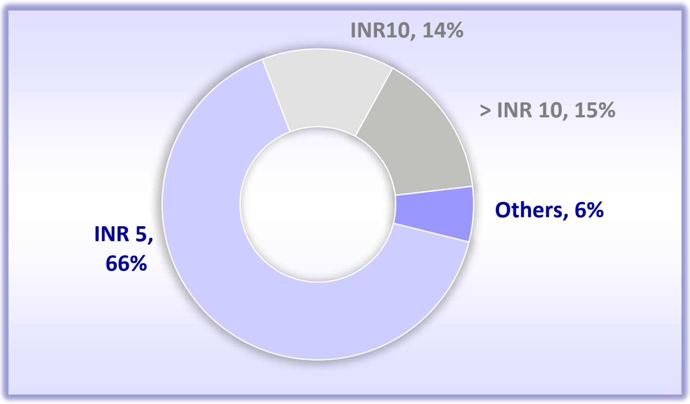
Return ratios (%)



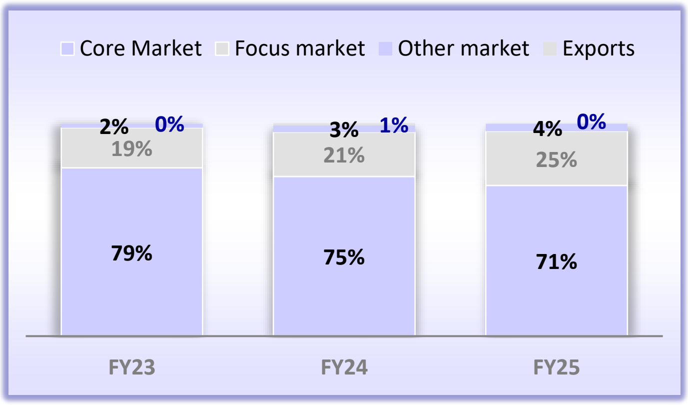
Revenue share by product category – FY25 (%)



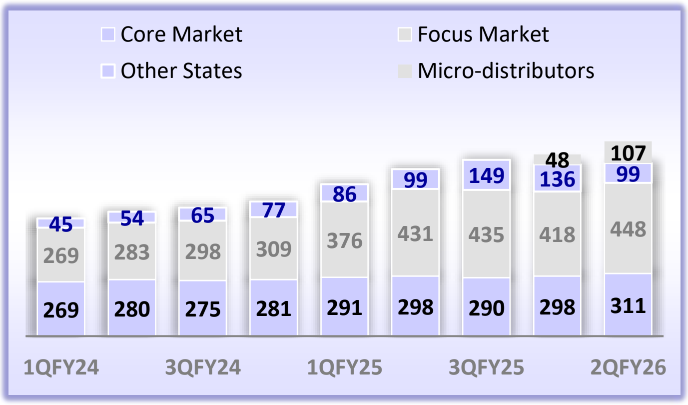
Revenue share by price point – FY25 (%)



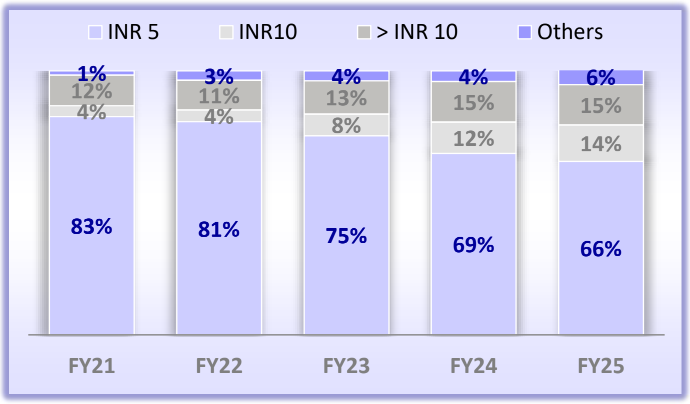
Revenue share by market segments (%)



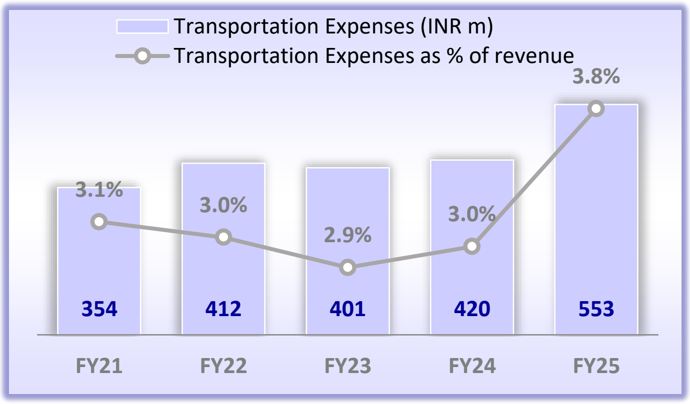
Number of distributors across the market segments



Dependence on INR5 price point reducing



Transportation expenses – the lowest among listed peers



Primary units

Primary Facility		FY21	FY22	FY23	FY24	FY25	2QFY26
Rajkot	Capacity (MT)	1,77,581	1,75,138	1,75,138	1,75,138	-	-
	Utilization	46%	41%	37%	37%	37%	0%
Gondal	Capacity (MT)	-	-	-	-	57,493	64,995
	Utilization	-	-	-	-	45%	64%
Modasa	Capacity (MT)	-	7,616	22,392	25,802	32,622	34,668
	Utilization	-	70%	27%	33%	34%	50%
Nagpur	Capacity (MT)	97,924	99,629	99,629	96,219	95,821	95,821
	Utilization	27%	17%	12%	14%	21%	19%
Bhiwadi	Capacity (MT)	6,820	6,820	-	-	-	-
	Utilization	18%	1%	-	-	-	-
Total Primary Capacity		**2,82,325**	**2,89,202**	**2,97,159**	**2,97,159**	**1,85,936**	**1,95,484**
Utilization		**38%**	**32%**	**28%**	**29%**	**30%**	**39%**

Distribution network across states

		Distributors						Retailers
		1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	1QFY26
Core State	Gujarat	291	298	290	298	309	311	2,27,331
Focus State	Maharashtra	175	196	196	181	194	191	63,425
	Madhya Pradesh	62	69	81	91	81	88	16,158
	Rajasthan	42	59	56	43	39	48	8,625
	Uttar Pradesh	97	107	102	103	94	90	9,193
	Chhattisgarh	16	28	36	36	32	31	1,880
Others State		70	71	113	100	92	99	7,109
		753	**828**	**874**	**852**	**841**	**858**	**3,33,721**

New products launched in H1FY26

Diversified portfolio aided by vertical integration

From tradition to innovation, powered by integration

GSL, India’s largest gathiya manufacturer, offers a diversified portfolio of over 95 products and 366 SKUs across ethnic and western snacks through five key brands: Gopal, Cristos, Shot Go, Cornigo, and Bonova. Its product range includes gathiya, namkeen, snack pellets, wafers, papad, spices, gram flour (besan), chikki, nachos, noodles, rusk, sohan papdi, popcorn, wafer biscuits, and washing bars, among others. The top 7-8 products contribute ~50% to GSL’s FY25sales. Among segments, Gathiya accounts for ~27% of GSL’s revenue, namkeen accounts for 25%, snack pellets accounts for 18%, and the wafers segment accounts for 11%. The company’s vertically integrated supply chain, supported by a 40,000 MT cold storage facility at its Modasa plant, ensures operational resilience and consistent product quality. While Gujarat remains the core market, contributing 71% of revenues, GSL is expanding its footprint across Maharashtra, Uttar Pradesh, Madhya Pradesh, Rajasthan, Chhattisgarh, serving diverse regional and demographic preferences through operations in 14 states and 2 UTs.

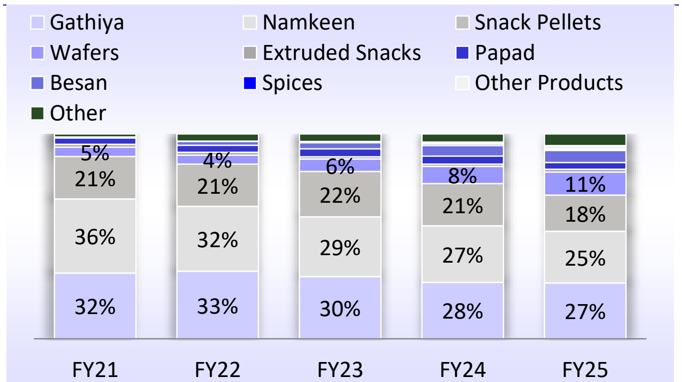
GSL brand portfolio:

- **Gopal** – Gathiya, namkeen, snack pellets, flour, and spices
- **Cristos** – Wafers
- **Shot Go** – Noodles
- **Cornigo** – Extruded snacks
- **Bonova** – Other consumer products

Exhibit 115: Diversified product portfolio

Source: Company, MOFSL

Exhibit 116: Reducing revenue contribution from gathiya



Source: Company, MOFSL

Exhibit 117: Category-wise product range

Product Name	No. of Products
Gathiya	8
Namkeen	31
Snack Pellets	13
Wafers	11
Extruded Snacks	8
Papad	3
Besan	1
Spices	6
Other Products	14

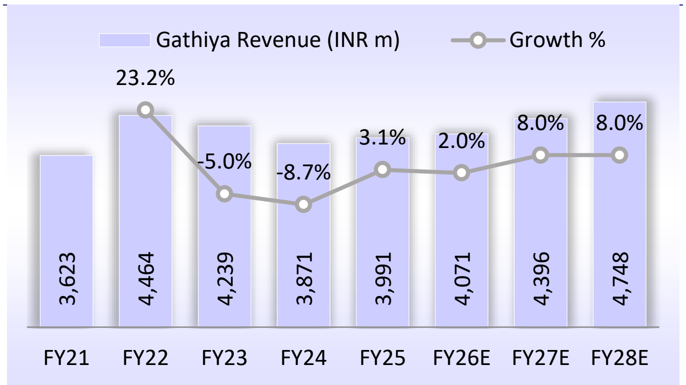
Source: Company, MOFSL

GSL has a dominant 29% market share in the organized Gathiya market, Management expects high single-digit growth in FY27-28.

Gathiya (27% of the portfolio)

GSL, India's largest manufacturer of gathiya, holds an estimated 29% market share of the organized gathiya market with a total addressable market (TAM) of INR14b. The company offers eight varieties of gathiya across multiple SKUs, with Bhavnagari Gathiya and Papdi Gathiya contributing ~70% of gathiya sales. Along with Balaji and Gokul, Gopal commands about 50% market share in the organized segment. While Gujarat remains its core market, contributing 71% of revenue, focus markets including Maharashtra, Uttar Pradesh, Madhya Pradesh, Rajasthan, and Chhattisgarh account for ~20% of gathiya sales. Despite market leadership, segment growth was modest at a 2.4% CAGR during FY21–25, hurt by internal family disputes and a Rajkot plant fire. Capacity restoration at the damaged plant (Modasa) has been completed in December 2026, with management anticipating a return to high single-digit growth in FY27–28.

Exhibit 118: Revenue and growth trends – Gathiya



Source: Company, MOFSL

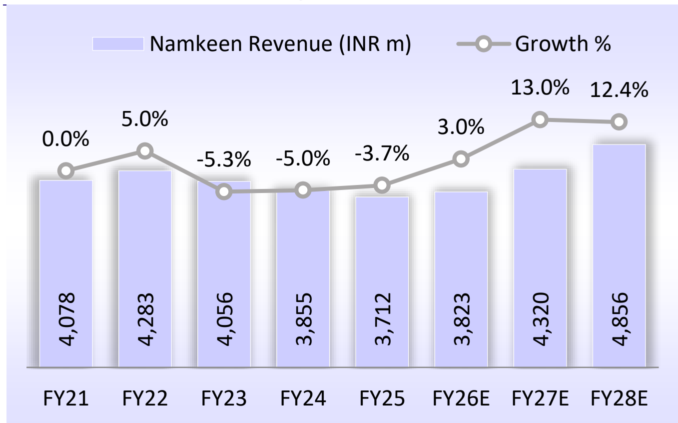
Exhibit 119: Gathiya portfolio

Source: Company, MOFSL

Namkeen (25% of the portfolio)

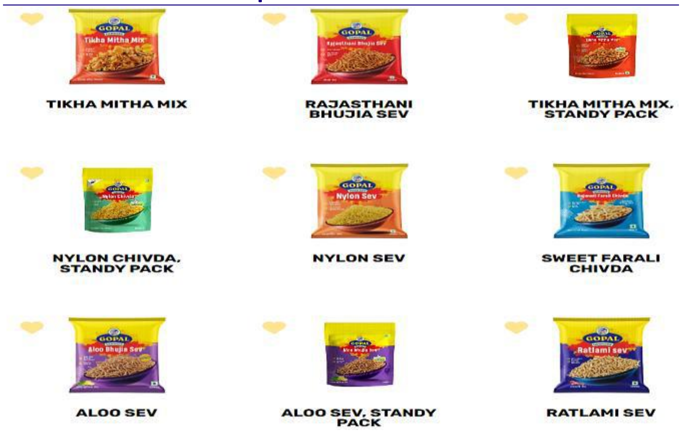
GSL offers 34 varieties under the namkeen category, with key products Tikha Mitha Mix, Sev Murmura, and Sev Namkeen contributing ~60% of namkeen revenues. While the overall namkeen category declined at a CAGR of 2.3% over the past four years. The impulse category constitutes 80% of namkeen sales, delivering gross and operating margins of 25-28% and 13-15%, respectively. Management anticipates returning to low-teens growth from FY25 to FY28 where Gujarat market would grow at a high single-digit rate.

Exhibit 120: Revenue and growth trends – Namkeen



Source: Company, MOFSL

Exhibit 121: Namkeen portfolio



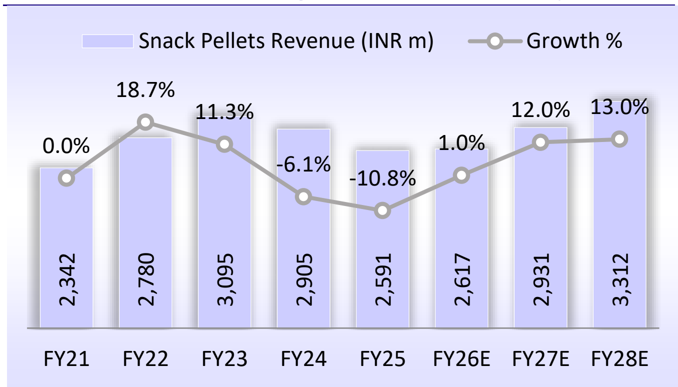
Source: Company, MOFSL

Snack Pellets account 18% of sales and expected to grow ~11% CAGR over FY25-28.

Snack pellets (18% of the portfolio)

Snack pellets account for 18% of GSL's sales, having clocked a CAGR of 2.6% over the last four years. The company offers 13 varieties including mini rings, masala cups, plain ponga, and rugby balls primarily targeting the kids' segment. This product category provides customization flexibility through varied spice blends on a consistent base format. Snack pellets generate gross margins of around 30% and EBITDA margins near 5%, with over 90% of sales derived from impulse packs. The company projects a revenue CAGR of ~11% for this segment over FY25-28, driven by ongoing product innovation and expanded distribution.

Exhibit 122: Revenue and growth trends – (Snack pellets)



Source: Company, MOFSL

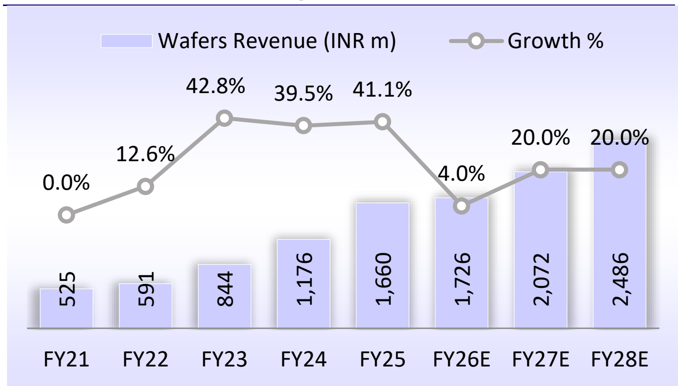
Exhibit 123: Snacks pellets portfolio

Source: Company, MOFSL

Wafers (11% of the portfolio)

Wafers, marketed under the Gopal and Cristos brands, represent ~11% of GSL's revenue and have grown at a robust CAGR of 33.4% between FY21 and FY25. The company offers 10 variants with winning flavors customized to regional tastes. To accelerate growth, GSL has intensified branding and distribution efforts, exemplified by the Cristos marketing campaign launched in FY25. The company aims to expand regional presence, strengthen premium positioning, and anticipates a ~20% CAGR for wafers over FY25-28.

Exhibit 124: Revenue and growth trends – Wafers



Source: Company, MOFSL

Exhibit 125: Wafers portfolio

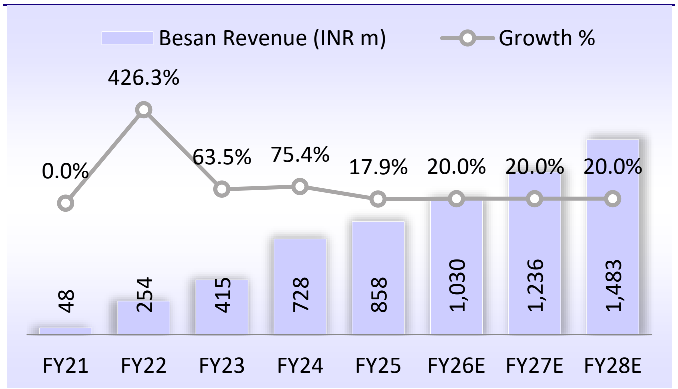
Source: Company, MOFSL

Besan & spices (7% of the portfolio)

Driven by strong traction in the Besan category, GSL aims to diversify into complementary product segments such as turmeric, sugar, biscuits, and edible oils.

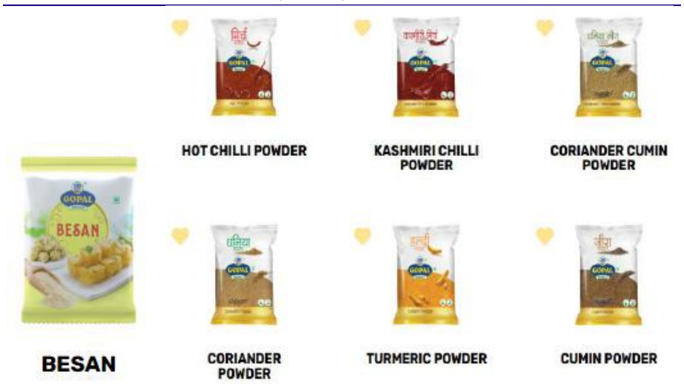
GSL produces besan (yellow gram flour) and spices in-house as part of its backward integration strategy, primarily for captive consumption in its gathiya and other snack products. This segment contributes ~7% of total revenue as of FY25, with gross margins of 22–23% and EBITDA margins of 5–7%. Leveraging its manufacturing capability in Gujarat, the company has begun selling packaged besan and spices in the local market and plans to expand into complementary kitchen essentials such as turmeric, sugar, biscuits, and edible oils. Management targets a robust revenue CAGR of over 20% for this segment through FY25-28, aiming to establish GSL as a "House of Kitchen Brands" in Gujarat.

Exhibit 126: Revenue and growth trends – Besan



Source: Company, MOFSL

Exhibit 127: Besan and Spices portfolio

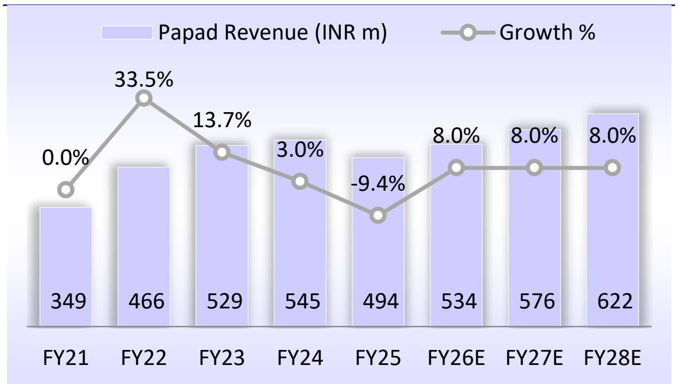


Source: Company, MOFSL

Papad & extruded snacks (3% of the portfolio)

The papad segment, with a total addressable market (TAM) of ~INR83b as on FY23, contributes 3% to GSL's revenue and has grown at a CAGR of around 9% over the past four years. Popular variants such as moong, Punjabi, and udad papad are offered in multiple pack sizes. The company expects continued high single-digit growth in this category over the next three years. In contrast, the organized extruded snacks segment, despite a larger TAM of ~INR153b, represents a limited presence for GSL. Corn rings are marketed under the premium Cornigo brand with eight variants. This segment has recorded a revenue CAGR of about 7% over four years, and the company is targeting a mid-to-high single-digit growth over the next 3-5 years.

Exhibit 128: Revenue and growth trends – Papad



Source: Company, MOFSL

Exhibit 129: Papad portfolio

Source: Company, MOFSL

Innovation & premiumization through healthier snacks

At the time of its IPO, GSL outlined plans to leverage its product development capabilities, competitive landscape, and go-to-market strength to introduce new offerings, particularly innovative flavors within the namkeen and gathiya categories. Recently, the company expanded its portfolio by launching hot wheels and jeera papad and non-palm oil-based popcorn and wafer biscuits, aligning with shifting consumer preferences towards healthier snacks. It is also actively developing bakery products with a focus on non-palm oil formulations. In FY25, the company introduced several innovations, including Kolhapuri Bhadang (a spicy and crunchy Maharashtrian puffed rice snack featuring an authentic blend of Kolhapuri spices, puffed rice, and peanuts), Sabudana Chivda, Korean BBQ Wafers, Soya Sticks, Pizza Pasta Fryums, Banana Wafers, and Wheat Atta. Management aims for these innovation-led products to contribute ~6% of revenue by FY28.

Exhibit 130: New product launches in H1FY26

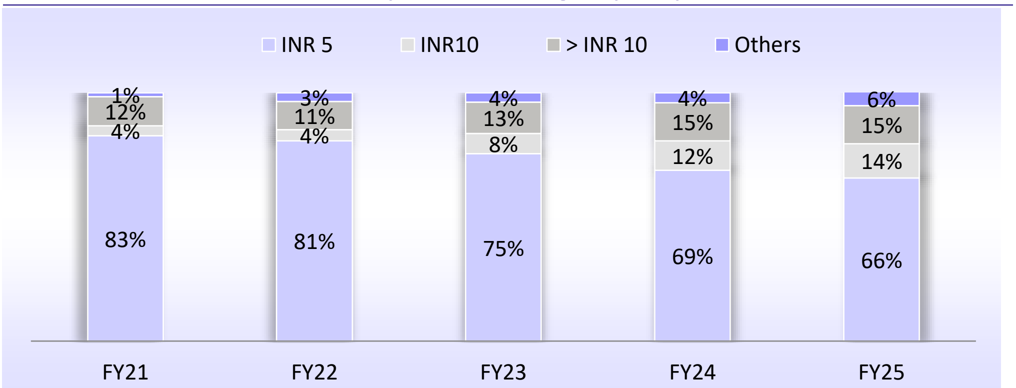
Source: Company, MOFSL

Gradual shift towards large packs

Although 66% of sales come from impulse buys, GSL is shifting focus to larger packs to enhance brand perception, led by wafer promotions, which are expected to create a positive spillover effect.

GSL offers products across multiple price points, including INR5, INR10, and premium packs priced above INR10. While the impulse segment previously accounted for 83% of sales, its contribution has declined to ~66%, indicating a strategic shift towards premium offerings. The company aims to reduce reliance on INR5 SKUs to enhance brand perception and is actively promoting INR10 SKUs within the wafers segment, which is expected to generate positive spillover across other categories. Further, the adoption of stand-up pouches in modern trade and quick commerce channels is anticipated to drive sales of larger pack sizes.

Exhibit 131: Gradual shift towards product with higher price points



Source: Company, MOFSL

GSL has comprehensive backward integration approach, ensuring complete control over the supply chain to deliver superior quality products.

Control from farm to shelf

GSL employs a robust backward integration strategy that grants comprehensive control over its supply chain, spanning raw material sourcing, manufacturing, and distribution. The company produces most ingredients and snacks in-house, directly procures potatoes from farmers for storage in expansive warehouses, and operates a dedicated fleet for logistics. This integrated approach ensures stringent quality control, consistency, and cost efficiency, reinforcing its competitive advantage. The recently established state-of-the-art processing facility in Gondal further strengthens this model, enabling the company to process key raw materials such as peanuts and pulses in-house, ensuring continuous supply, superior product quality, and operational resilience.

Backward integration to streamline manufacturing

GSL has adopted a comprehensive backward integration approach, producing critical raw materials such as besan, snack pellets, and key spices (chilli, cumin, coriander, and turmeric) in-house through dedicated ancillary units. This vertical integration ensures consistent taste, texture, and quality, reduces dependence on external suppliers, and lowers overall production costs. The company procures raw potatoes directly from farmers for storage in large warehouses and operates in-house manufacturing facilities equipped with advanced machinery for processing ingredients, further strengthening its supply chain control. This strategic focus on in-house ingredient production has been central to maintaining product quality and operational efficiency across its extensive product range.

Exhibit 132: Ancillary units

Ancillary Facility		FY21	FY22	FY23	FY24	FY25	Q2FY26
Rajkot 1	Capacity (MT)	30,318	40,920	34,720	28,830	28,830	28,830
	Utilization	52%	42%	40%	31%	29%	24%
Rajkot 2	Capacity (MT)	42,780	42,780	42,780	42,780	46,345	46,345
	Utilization	69%	73%	68%	75%	71%	71%
Modasa	Capacity (MT)	-	-	23,560	37,820	37,820	37,820
	Utilization	-	-	28%	33%	29%	28%
Total Ancillary Capacity		**73,098**	**83,700**	**1,01,060**	**1,09,430**	**1,12,995**	**1,12,995**
Utilization		**62%**	**59%**	**52%**	**49%**	**46%**	**44%**

Source: Company, MOFSL

In-house cold storage

Backward integration with ample capacity enables quality control, cost efficiency, reduced supplier dependence, and an optimized supply chain.

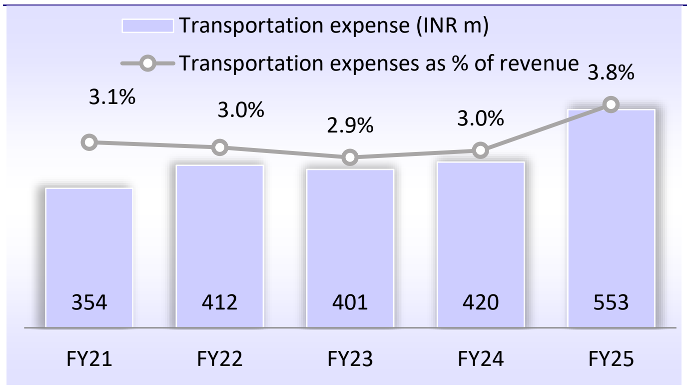
GSL produces key raw materials such as besan, snack pellets, and spices including chili, cumin, coriander, and turmeric in-house as part of its backward integration strategy. This enables the company to maintain strict quality standards, ensure uniform taste and texture, and reduce dependence on external suppliers, thereby lowering overall production costs. The integration also supports operational efficiency, with the company cultivating reliable supplier relationships and maintaining control over its entire supply chain, from raw material procurement to finished product delivery. This strategy has strengthened GSL's competitive edge in the fast-moving consumer goods sector.

From plant to plate: Logistics advantage

GSL operates a fleet of 294 logistics vehicles, supporting its extensive distribution network across over 500+ locations in 14 states and two Union Territories. The company manages six manufacturing facilities three primary in Nagpur, Rajkot, and Modasa, and three ancillary units collectively offering an annual installed capacity of ~3,18,779MT. This vertical integration, complemented by a robust distribution infrastructure of three depots, 858 distributors, and 107 micro-distributors, ensures cost efficiency and timely market penetration. Such logistical control enhances supply chain reliability, reduces costs, and supports the company's growth in India's expanding snack industry.

According to industry analysis, transportation costs typically range between 4.0% and 6.5% of revenue for FMCG companies, while GSL maintains transportation expenses below 3% of sales through its owned fleet strategy. This vertically integrated logistics model generates annual savings of ~0.4-0.5m per vehicle compared to outsourced alternatives. Beyond direct cost efficiencies, the company's branded fleet of 294 vehicles serves as a mobile advertising platform, enhancing brand visibility and reducing marketing expenditure across its distribution network. This strategic approach to logistics management provides GSL with a sustainable competitive advantage, delivering ~70-100bp of margin enhancement while ensuring superior supply chain control, delivery reliability, and market presence.

Exhibit 133: Transportation expenses



Source: Company, MOFSL

Exhibit 134: Lowest transportation expenses in the listing space

(%)	FY21	FY22	FY23	FY24	FY25
GSL	3.1	3.0	2.9	3.0	3.8
BFL	2.9	3.8	3.9	3.8	4.0
PSL	6.9	6.6	6.7	6.1	6.2

Source: Company, MOFSL

Strategic manufacturing capacity addition to fuel growth

GSL leverages a strategically located in-house and recently expanded contract manufacturing network, ensuring strong supply chain connectivity and scalable growth in its core and focus markets.

The company operates six strategically located manufacturing facilities across India, comprising three primary plants and three ancillary units, with a combined installed capacity of 3,18,779MTPA (including 3P). The primary manufacturing facilities, focused on producing gathiya, namkeen, snack pellets, wafers, and extruded snacks, are strategically positioned in Rajkot and Modasa (Gujarat) and Nagpur (Maharashtra), collectively offering 195,484 MTPA of capacity. This geographic distribution optimizes logistics costs, ensures proximity to key raw material sources, and facilitates efficient market penetration across western and central India. The ancillary facilities complement the primary operations by producing critical ingredients and specialized products, reinforcing the company's backward integration strategy. With current utilization levels providing significant headroom for expansion, this manufacturing infrastructure positions GSL to capitalize on growing demand while maintaining operational flexibility and cost efficiency.

- Following a fire incident at the primary manufacturing facility in Rajkot on 11th Dec'24, GSL swiftly established a temporary production facility in Gondal to maintain operational continuity. Management has implemented a comprehensive capacity restoration strategy, with 60% of the lost Rajkot capacity being rebuilt at the Modasa plant and the remaining 40% being restored at the original Rajkot location. The expanded Modasa facility commenced commercial production on December 1, 2025, while the reconstructed Rajkot plant is anticipated to resume production in H2FY26. This strategic capacity redistribution will optimize regional coverage, with the enhanced Modasa plant serving South, North, and Central India, while the restored Rajkot facility will continue to cater to Gujarat's Saurashtra region. The company has successfully filed insurance claims for the damaged facility and recently received INR200m as an interim payment, representing asset reimbursement. This incident, while temporarily disruptive, has enabled strategic capacity reallocation and geographic optimization without compromising long-term growth prospects.

Exhibit 135: Manufacturing facilities and their locations

Primary Facility	Capacity (MTPA)	Utilization (%)	Product Range
Rajkot	0^	0.0%	Gathiya Namkeen Snack Pellets Extruded Snacks
Gondal#	64,995	63.7%	Gathiya Namkeen Snack Pellets Extruded Snacks
Modasa*	34,668	49.8%	Wafers Snack Pellets Namkeen Extruded Snacks
Nagpur	95,821	18.9%	Gathiya Namkeen Snack Pellets Wafers Extruded Snacks Papad

*Excludes cold storage capacity of 40,000 MT

Ancillary Facility	Capacity (MTPA)	Utilization (%)	Product Range
Rajkot 1	28,830**	23.5%	Papad Spices Seasoning
Rajkot 2	46,345	70.5%	Besan
Modasa	37,820	27.9%	Raw Snack Pellet

** Includes Papad capacity of 6,510 MTPA

Source: Company, MOFSL

Strategically located manufacturing units optimize costs

GSL's manufacturing facilities are strategically positioned to optimize costs and market reach. The Modasa plant leverages proximity to key raw materials such as potatoes and serves high-consumption markets in Gujarat and Rajasthan for ethnic and western snacks. The centrally located Nagpur facility efficiently caters to multiple states, including Jharkhand, Chhattisgarh, Uttar Pradesh, Bihar, Telangana, Andhra Pradesh, Madhya Pradesh, and Maharashtra's Vidarbha region, minimizing supply chain costs and delivery timelines. This geographic diversification reduces logistics expenses while providing operational resilience and flexibility to support pan-India expansion.

Exhibit 136: Primary units

Rajkot plant	Modasa plant	Nagpur plant



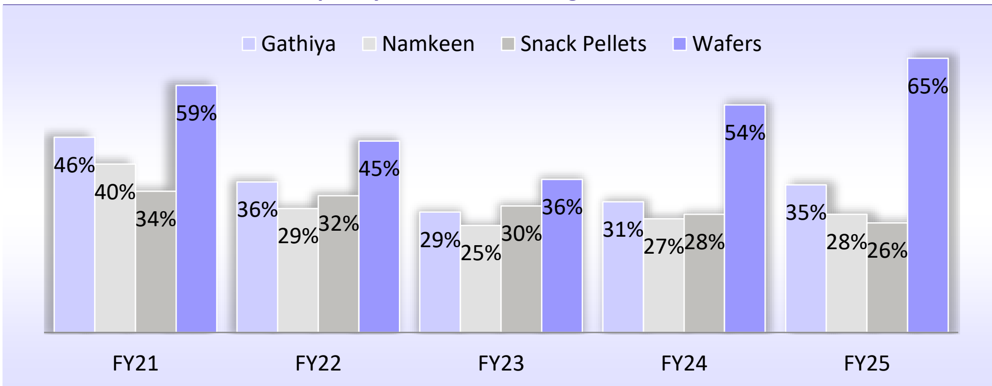
Source: Company, MOFSL

Exhibit 137: Primary units

Primary Facility		FY21	FY22	FY23	FY24	FY25	Q2FY26
Rajkot	Capacity (MT)	1,77,581	1,75,138	1,75,138	1,75,138	-	-
	Utilization	46%	41%	37%	37%	37%	0%
Gondal	Capacity (MT)	-	-	-	-	57,493	64,995
	Utilization	-	-	-	-	45%	64%
Modasa	Capacity (MT)	-	7,616	22,392	25,802	32,622	34,668
	Utilization	-	70%	27%	33%	34%	50%
Nagpur	Capacity (MT)	97,924	99,629	99,629	96,219	95,821	95,821
	Utilization	27%	17%	12%	14%	21%	19%
Bhiwadi	Capacity (MT)	6,820	6,820	-	-	-	-
	Utilization	18%	1%	-	-	-	-
Total Primary Capacity		**2,82,325**	**2,89,202**	**2,97,159**	**2,97,159**	**1,85,936**	**1,95,484**
Utilization		**38%**	**32%**	**28%**	**29%**	**30%**	**39%**

Source: Company, MOFSL

Exhibit 138: Product-wise capacity utilization during FY21-FY25



Source: Company, MOFSL

Government incentives and tactical partnerships

GSL benefits from state subsidy schemes, including the Package Scheme of Incentives, 2013, for its Nagpur facility in Maharashtra and the Incentive to Industries Scheme, 2016–2021, for its Modasa plant in Gujarat. These programs are expected to provide total subsidy benefits of INR100m over the next ~3 years, enhancing operational cost efficiency. To strengthen its pan-India presence, the company has entered into long-term third-party manufacturing agreements in strategic locations. The Hiryur facility in Karnataka offers 4,400 MTPA capacity for producing wafers, snack pellets, and corn products, targeting deeper penetration in southern markets. The Kashipur plant in Uttarakhand provides 5,900 MTPA capacity for manufacturing gathiya, namkeen, snack pellets, and corn products, enhancing market reach across northern India. The Manendragarh plant in Chhattisgarh provides 2,240 MTPA capacity for manufacturing wafers, enhancing market reach across eastern India. These partnerships enable asset-light expansion while maintaining quality control and operational flexibility, supporting the company's national growth strategy without significant capital investment.

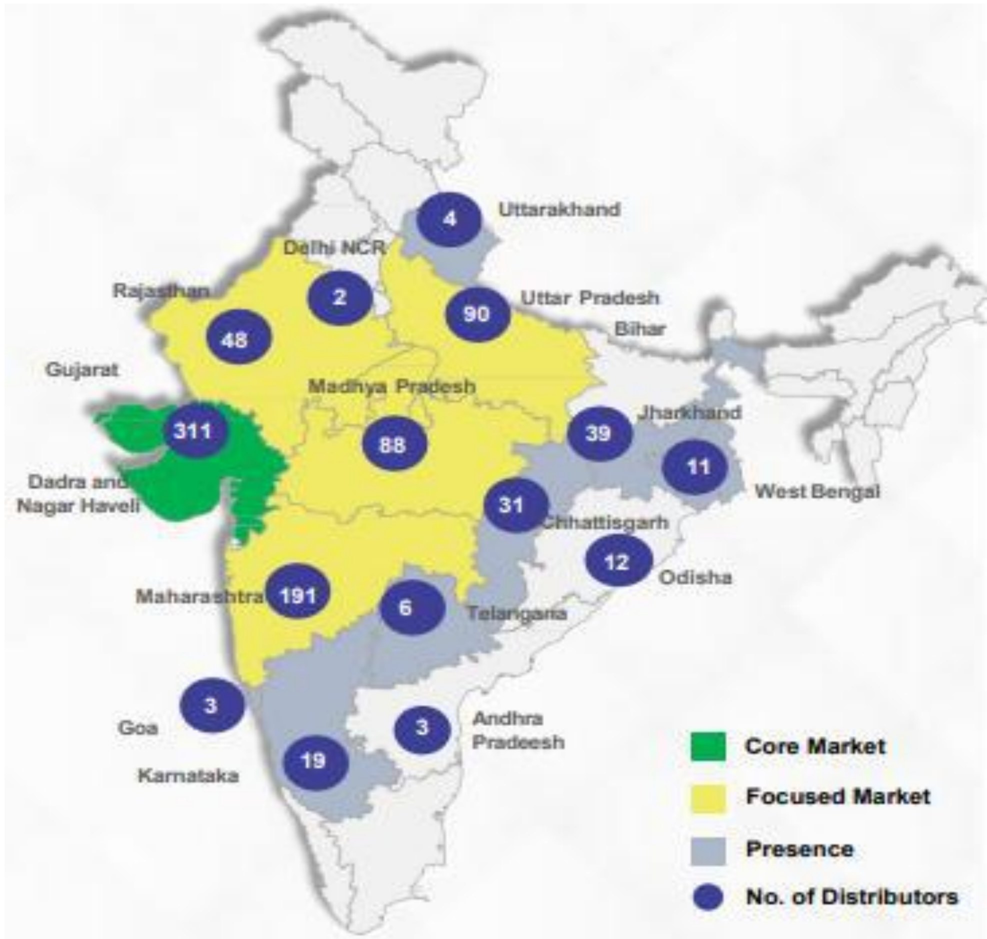
Powering growth through distribution excellence

Focus markets followed by core markets, would fuel the growth

GSL operates a comprehensive distribution network spanning 14 states and 2 Union Territories, supported by 858 distributors and 107 micro-distributors. Furthermore, the company has a direct reach of 333k outlets, with a total retail presence spanning around 500k outlets. Following supply chain disruptions caused by the Rajkot plant fire, the company strategically adopted a temporary super stockist model, necessitating the appointment of micro-distributors to ensure market continuity. Management plans to revert to its traditional distributor-led framework once operations stabilize.

The distribution strategy primarily focuses on general trade channels, serving conventional grocery retailers alongside select supermarkets and hypermarkets. According to the management, ~75% of sales originate from Tier II and Tier III cities, aligning with the company's core market positioning. The margin structure is competitively designed, with distributors receiving 10% margins on wafers and 7% on other categories. Retailer margins are differentiated by SKU pricing: 18% for INR5 products, 20% for INR10 SKUs, and ~25% for wafer products, ensuring attractive incentives across the value chain while maintaining profitability.

Exhibit 139: GSL – distribution network



Source: Company, MOFSL

Exhibit 140: Consistent growth in the distributor and retail network

		Distributors						Retailers
		Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	2QFY26	Q1FY26
Core State	Gujarat	291	298	290	298	309	311	2,27,331
	Maharashtra	175	196	196	181	194	191	63,425
	Madhya Pradesh	62	69	81	91	81	88	16,158
Focus State	Rajasthan	42	59	56	43	39	48	8,625
	Uttar Pradesh	97	107	102	103	94	90	9,193
	Chhattisgarh	16	28	36	36	32	31	1,880
Others State		70	71	113	100	92	99	7,109
		753	**828**	**874**	**852**	**841**	**858**	**3,33,721**

Source: Company, MOFSL

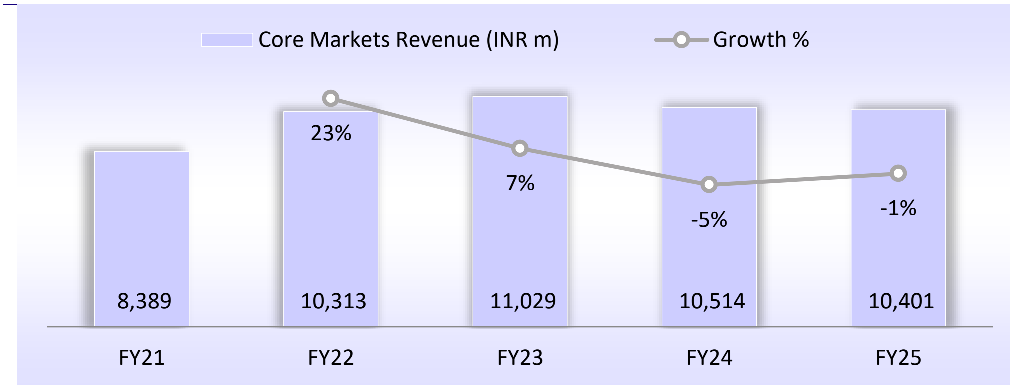
Core markets (71% of sales)

Gujarat (core market), led by Gathiya, with ~50% retail penetration through 311 distributors, is poised for ~15% growth.

Gujarat (~11% of TAM of snacks market), GSL's core market, contributed 71% of total revenue in FY25, anchored by the company's flagship product gathiya, a traditional Gujarati snack with deep cultural resonance. While Gujarat remains the primary revenue driver, management's strategic diversification efforts have gradually reduced the state's contribution from 74% to 71% over the past five years, demonstrating successful geographic expansion without compromising core market strength.

The company maintains a robust presence in Gujarat through 311 distributors serving ~227K outlets, providing comprehensive market coverage and strong competitive positioning. To sustain growth momentum, management plans to add 10-15 distributors annually while deepening penetration in existing markets. GSL is also exploring acquisition opportunities up to INR2b, in its core state in food categories focused on home consumption. With a guided growth rate of ~15% for core markets, Gujarat continues to serve as a stable revenue base and cash generator, funding the company's expansion into focus and emerging markets across India.

Exhibit 141: Revenue performance of core markets



Source: Company, MOFSL

Focus markets: High growth opportunity (25% of sales)

The focus markets (~39% of TAM of snacks market) comprising Maharashtra (13% of sales), Uttar Pradesh and Madhya Pradesh (4% each), Rajasthan (3%), and Chhattisgarh (1%) collectively contribute 25% to GSL's total revenue. GSL has established a solid foundation in these markets with 440 distributors serving ~100,000 retail outlets, with Maharashtra and Madhya Pradesh accounting for 80% of the retailer network strength.

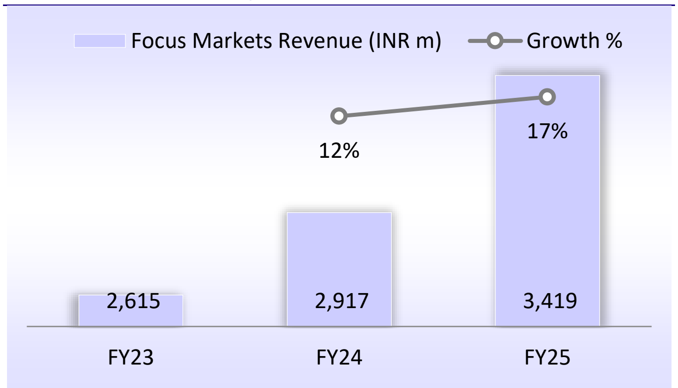
Management has outlined an aggressive expansion strategy for these high-potential markets, targeting the addition of ~100 distributors annually over the next 2-3 years. This expansion is supported by a projected growth rate exceeding 25% in focus markets, significantly outpacing the core Gujarat market.

Other markets: High growth trajectory on a low base (4% of the sales)

The emerging markets segment (~50% of TAM of snacks market) contributes 4% of total sales, with Jharkhand, Odisha, and Karnataka representing the largest markets in terms of distributor reach within this category. Benefiting from a low base effect, these markets have delivered exceptional growth rates of 37% in recent years, reflecting strong consumer acceptance and successful market entry strategies.

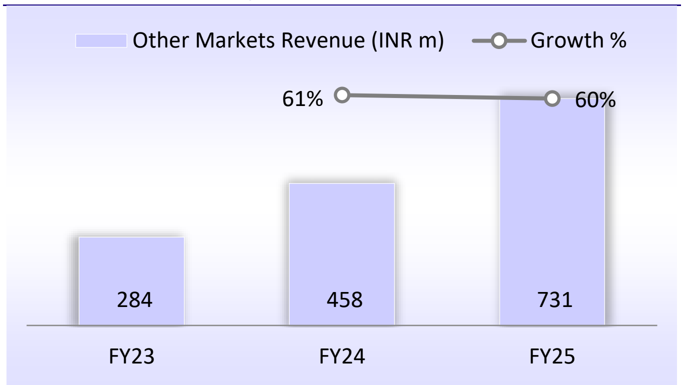
Management targets sustaining ~35%+ growth in emerging markets through systematic distributor network expansion and enhanced market penetration. While currently representing a modest revenue contribution, these markets offer significant long-term potential as the company establishes brand presence and builds distribution infrastructure in previously untapped regions. These support a broader pan-India expansion strategy.

Exhibit 142: Revenue performance of focus markets



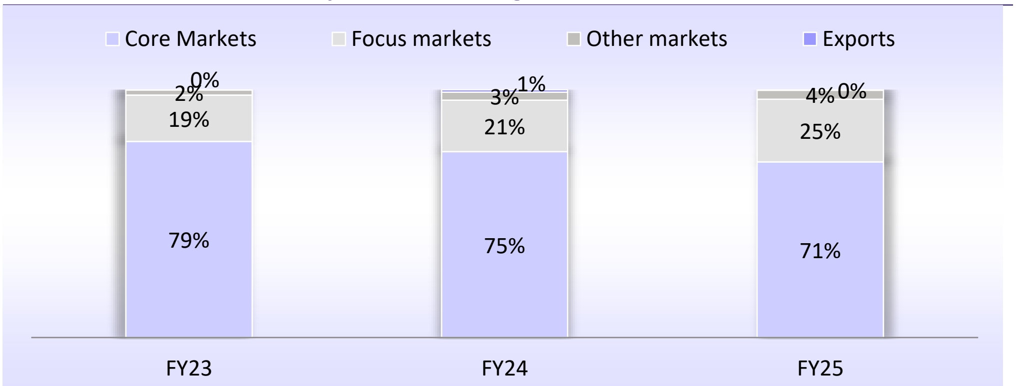
Source: Company, MOFSL

Exhibit 143: Revenue performance of other markets



Source: Company, MOFSL

Exhibit 144: Revenue share by each market segment



Source: Company, MOFSL

Strengthening the alternate trade channel contribution

Modern trade (5% of sales)

Expanding alternate channel presence through key retailers, online channels, railways, and airport vending to broaden reach and enhance brand visibility.

GSL has established partnerships with key modern trade customers, including Reliance Retail, DMart (Gujarat and MMR), and Bansal Super Market. The company is actively pursuing enrollment discussions with Shubham K-Mart in Chhattisgarh to expand its modern trade footprint. The management anticipates over 25% growth in this channel, driven primarily by family pack offerings that align with modern retail consumer preferences and shopping patterns.

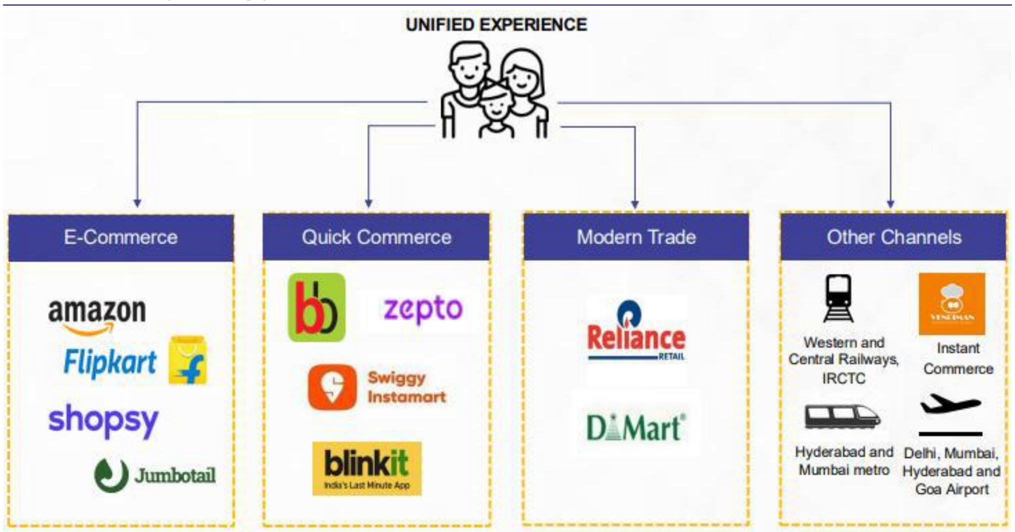
E-commerce & quick commerce (1% of sales)

The company maintains a presence across major digital platforms, including Amazon, Flipkart, Shopsy, Jumbotail, Big Basket, Blinkit, Zepto, and Swiggy Instamart, exclusively offering family packs and stand-up pouches suited to online consumer behavior. Given the current low order volumes, GSL plans to optimize fulfillment through strategic partnerships with courier companies and transporters, ensuring cost-effective last-mile delivery.

Focus on airports and railways: high throughput channels

GSL leverages institutional partnerships through IRCTC and railway networks, including Central, Western, South Central, NCR, and Prayagraj divisions, to enhance market reach. The company has strategically installed vending machines at major airports in Delhi, Mumbai, Hyderabad, and Goa, improving direct consumer access while boosting brand visibility among travelers. While exports currently represent a modest contribution, management is focused on accelerating growth in international markets as part of its diversification strategy.

Exhibit 145: Expanding presence in Alternate Channels



Source: Company, MOFSL

Strong branding to complement distribution efforts

Multi-point marketing and channel-specific packaging enhance visibility, brand recall, and consumer reach.

GSL employs an integrated marketing strategy encompassing radio, print, social media, digital platforms, outdoor promotions, and event sponsorships to enhance brand recall and expand consumer reach. The company has modernized its approach through upgraded packaging and comprehensive in-store visibility tools, including danglers, racks, banners, and shutters, effectively driving impulse purchases and strengthening presence across high-volume retail channels.

Strategic packaging innovations include the introduction of stand-up pouches, which significantly improve product visibility and shelf appeal in the modern trade setup. Recent initiatives include targeted print advertising for the wafer category in Maharashtra and leveraging the company's owned fleet of 294 vehicles as mobile billboards to reinforce brand recognition across distribution routes.

For the premium Cristos wafers brand, GSL has executed innovative marketing partnerships, including collaboration with T-Series for music release co-sponsorship and the launch of a human mascot to enhance brand engagement. The company actively participates in consumer events such as Cyclofun, providing product sampling and direct consumer interaction opportunities.

Airport marketing represents another strategic touchpoint, with branded vending machine wraps installed across major airports in Mumbai, Delhi, Goa, and Hyderabad, capturing high-value consumer segments and reinforcing premium brand positioning. This comprehensive 360-degree marketing approach supports both distribution expansion and brand-building objectives across diverse consumer touchpoints.

Exhibit 146: Expanding consumer reach with strategic on-ground branding

Source: Company, MOFSL

GSL is strategically amplifying its marketing investments to strengthen brand visibility and capture market share. Advertising and promotion (A&P) expenditure ~1.1% of revenue in FY25, with management targeting an increase to 2% in FY26, reflecting a commitment to enhanced brand building and consumer engagement.

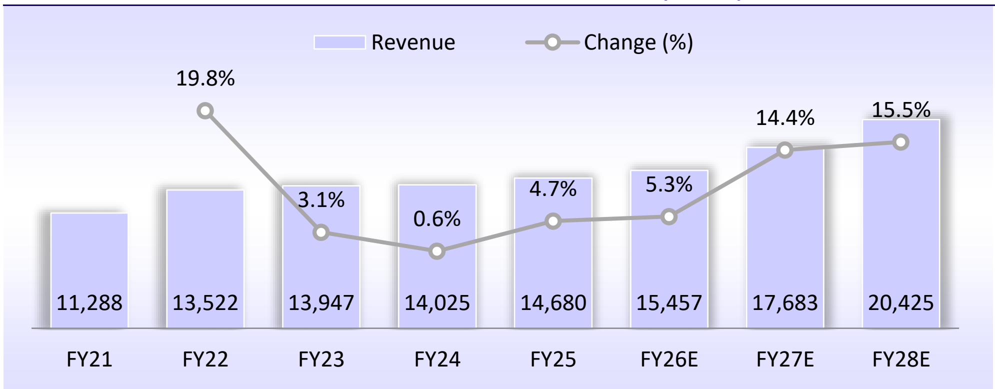
As part of this enhanced branding strategy, GSL is planning to engage a local/national celebrity as a brand ambassador, leveraging regional cultural affinity to strengthen brand resonance in its core market while supporting expansion into focus territories.

Financial outlook

Estimate a revenue CAGR of 11.6% over FY25-28

GSL reported a modest revenue CAGR of 6.8% between FY21 and FY25, as growth was constrained by stagnation and decline in the gathiya and namkeen segments, which collectively represent over half of total revenues. During this period, topline expansion was primarily driven by robust performance in the wafers category and other emerging product segments, partially offsetting weakness in traditional offerings. Going forward, revenues is expected to grow at a 11.6% CAGR over FY25-28. This growth trajectory will be underpinned by capacity restoration and distribution expansion. On category portfolio, we expect Namkeen (~25% of sales) is estimated to grow in the low teens, Snack Pellets (~18%) is likely to post low to mid teens, while Wafers (~11%) is anticipated to become the fastest-growing segment with a CAGR of 20% over FY25-28.

Exhibit 147: Revenue to exhibit 11.6% CAGR over FY25-28E (INR m)

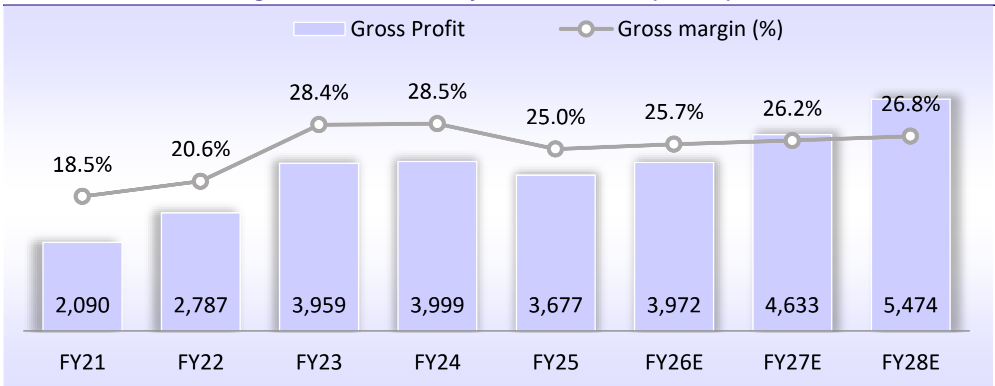


Source: Company, MOFSL

Gross margin recovery: Management targets 26.8% margin in FY28

GSL demonstrated strong margin expansion over FY21-24, with gross margins improving by ~1,000bp to reach 28.5%. However, margins faced pressure from sharp increases in key input costs, particularly palm oil, potatoes, and chana (gram), which temporarily compressed profitability despite the company's operational improvements. Looking forward, disciplined raw material management, incorporate of Rajkot & Modasa plant, an improved mix (with higher family pack sales), and operational efficiencies should support steady margin expansion. The company is well-positioned to deliver healthy margin progression, with gross margin forecast to rise to 26.8% by FY28.

Exhibit 148: Gross margin to remain steady over FY25-28E (INR m)

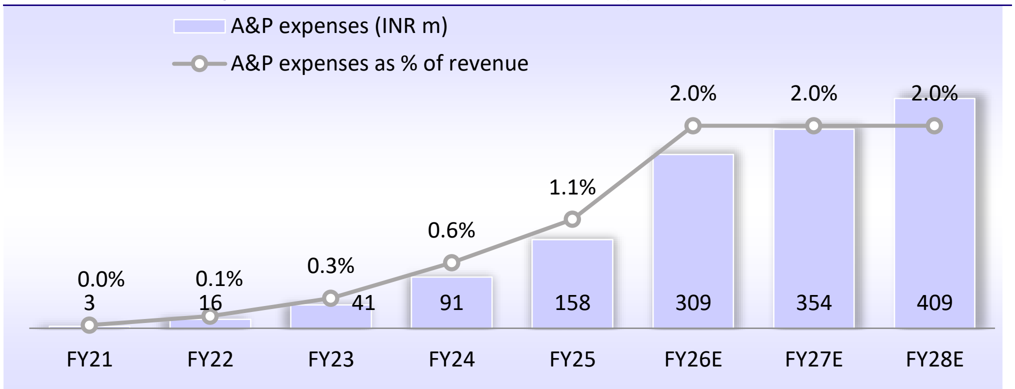


Source: Company, MOFSL

Advertisement spending: expected to be in the similar levels

GSL is strategically amplifying its marketing investments to strengthen brand visibility and capture market share. Advertising and promotion (A&P) expenditure ~1.1% of revenue in FY25, with management targeting an increase to 2% in FY26, reflecting a commitment to enhanced brand building and consumer engagement.

Exhibit 149: A&P expenditure to increase to 2% of sales (INR m)



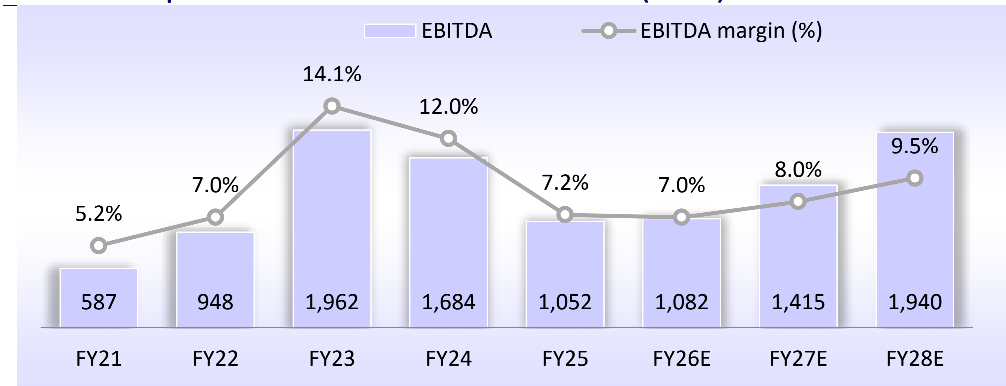
Source: Company, MOFSL

EBITDA margin is expected to reach 9.5% in FY28

GSL demonstrated exceptional operational leverage over FY21-24, with EBITDA growing ~3x to INR1.7b while margins expanded by around 680bp to reach 12.0%. However, FY25 proved challenging as elevated raw material prices and supply chain disruptions from the Rajkot plant fire compressed EBITDA to INR1.0b, with margins declining to 7.2%.

We project a strong EBITDA recovery at 22.6% CAGR over FY25-28. Margin recovery is anticipated to follow an upward trajectory as key input costs including edible oil, chana, and potatoes stabilize and decline from elevated levels, providing natural margin expansion.

Exhibit 150: Expect an EBITDA CAGR of 23% over FY25-28 (INR m)

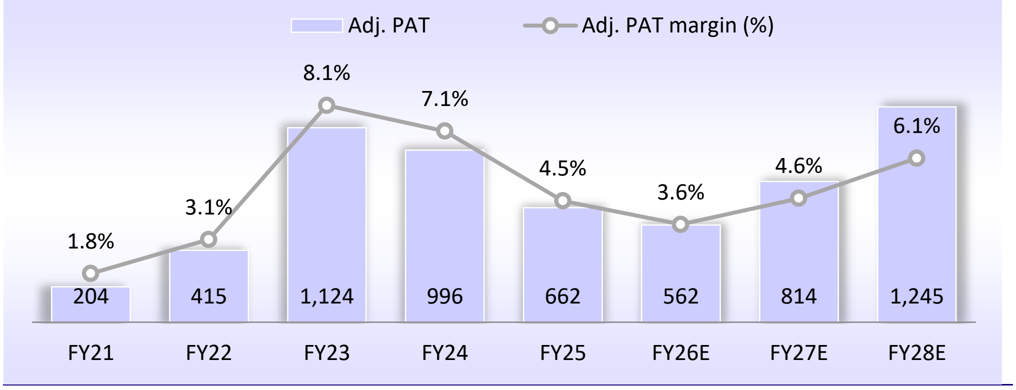


Source: Company, MOFSL

PAT: Strong earnings recovery

GSL delivered exceptional profit growth over FY21-24, with adjusted PAT expanding ~3x to reach INR1.0b while margins strengthened by around 529bp to 7.1%. This performance reflected strong operational leverage and effective cost management during a period of significant business expansion. The company is positioned for robust earnings recovery, with PAT forecasted to achieve a strong CAGR of 23.5% over FY25-28. This growth trajectory will be supported by operational efficiency improvements, margin recovery from normalized input costs, and enhanced capacity utilization following the restoration of full production capabilities. By FY28, PAT is projected to reach INR1.2b, with PAT margins strengthening to ~6.1%.

Exhibit 151: PAT estimated at 6.1% in FY28 (INR m)



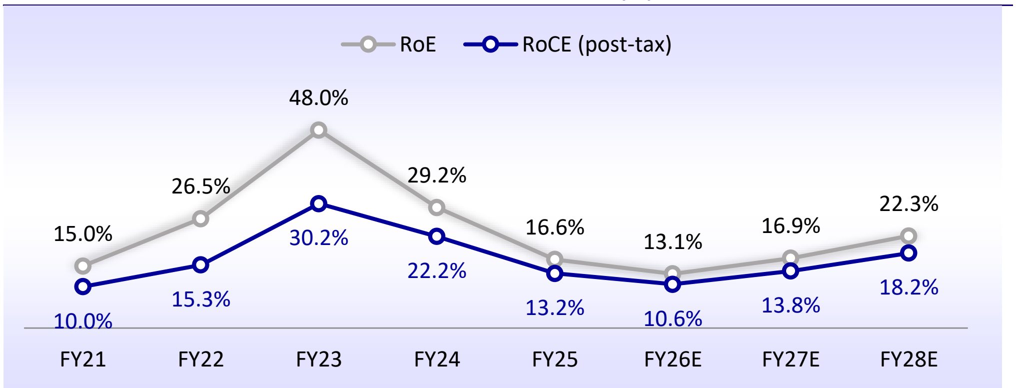
Source: Company, MOFSL

Return ratios to remain above 20% in FY28

GSL achieved peak return ratios in FY23, with Return on Equity reaching 48.0% and Return on Capital Employed at 31.2%, driven by enhanced profitability and strong asset turnover efficiency. However, these metrics declined to 16.6% and 14.4%, respectively, in FY25, reflecting the impact of supply chain disruptions, elevated input costs, and temporary capacity constraints following the Rajkot plant fire.

We expect return ratios to recover and maintain levels above 20% by FY28, reflecting improved operational leverage, margin restoration, and enhanced capital efficiency.

Exhibit 152: Return ratios to remain above 20% in FY28 (%)

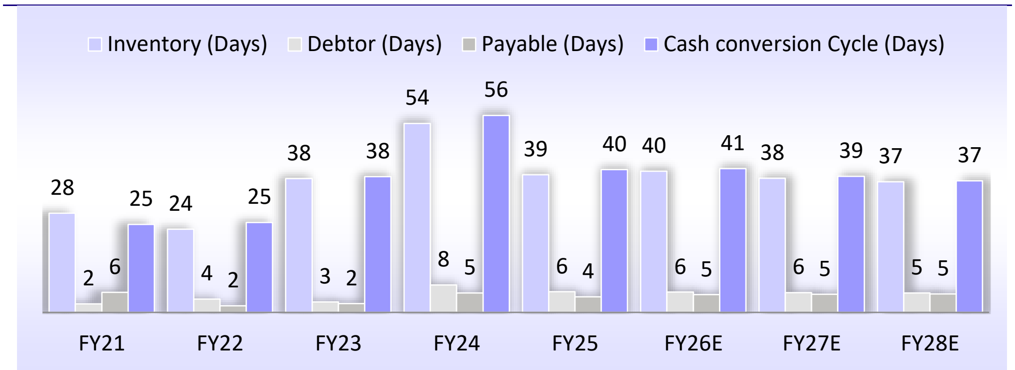


Source: Company, MOFSL

Steady cash conversion cycle: Efficient working capital management

GSL has a disciplined working capital management with a stable cash conversion cycle expected to remain consistent over the forecast period. The company effectively controls inventory levels at ~39 days, reflecting efficient production planning. Receivables are maintained at minimal levels of around 6 days, demonstrating strong collection efficiency and the cash-based nature of the FMCG distribution model. Payable days are managed at ~4 days, balancing supplier relationships with cash flow optimization.This efficient working capital structure supports strong cash generation and provides financial flexibility for growth investments while minimizing funding requirements for operational expansion.

Exhibit 153: Steady cash conversion cycle

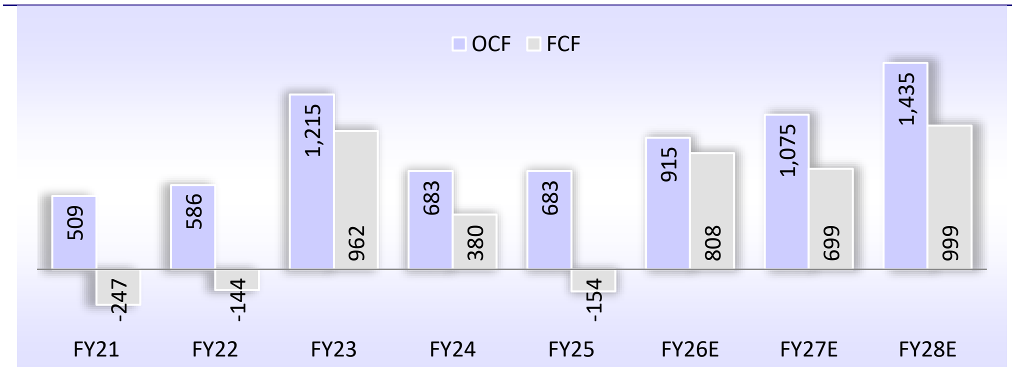


Source: Company, MOFSL

OCF/FCF

GSL generated positive FCF in FY23 and FY24; however, FY25 turned negative due to the impact of the fire incident. We expect free cash flow to turn positive again from FY26–28 as the Modasa and Rajkot plants becomes fully operational.

Exhibit 154: OCF/FCF to improve beyond FY25 (INR m)



Source: Company, MOFSL

Valuation and view: Initiate coverage with a BUY rating

- We expect GSL to benefit from multiple structural advantages that position the company for sustained growth:
  - **Diversified product portfolio:** The company's diversified portfolio of ~100 products across traditional and western snacks, staples enables it to address diverse consumer preferences and support multi-region growth.
  - **Extensive distribution network:** A strong general trade network across 13 states, with deep Tier II–III presence and attractive margins, supports sustained growth despite temporary disruptions from the Rajkot plant fire.
  - **Comprehensive brand building:** A 360-degree marketing approach across media, events, packaging boosts brand visibility, recall, and premiumization.
- **Valuation and TP: We value GSL using the Discounted Cash Flow (DCF) methodology to arrive at our TP of INR400.** We initiate coverage on the stock with a BUY rating, which reflects our confidence in the company's operational recovery trajectory and long-term growth prospects.

Exhibit 155: Relative valuation comparison of packaged food companies

Companies	Mcap (INR b)	CMP (INR)	TP (INR)	Rating	Upside (%)	EPS (INR)			P/E (X)			EV/EBITDA (X)			RoE (%)		
						FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Bikaji Foods	184	736	900	22%	BUY	9.3	12.2	16.2	78.9	60.2	45.4	42.4	35.3	31.7	15.6	17.5	19.9
Gopal Snacks	**40**	**319**	**400**	**25%**	**BUY**	**4.5**	**6.5**	**10.0**	**70.8**	**48.8**	**31.9**	**36.9**	**27.9**	**20.0**	**13.1**	**16.9**	**22.3**
Prataap Snacks	29	1201	1500	25%	BUY	7.9	18.8	33.4	152.6	63.7	35.9	30.8	21.3	15.0	2.7	6.2	10.1
Mrs Bectors	76	248	280	13%	NEUTRAL	5.0	6.5	8.2	49.9	38.0	30.2	27.4	22.4	18.7	12.5	14.8	16.5

Source: Company, Bloomberg, MOFSL

Exhibit 156: Projected free cash flow (INR m)

Particulars	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue	**15,457**	**17,683**	**20,425**	**23,005**	**25,897**	**29,155**	**32,804**	**36,932**	**41,477**	**46,634**
Growth % YoY	*5%*	*14%*	*16%*	*13%*	*13%*	*13%*	*13%*	*13%*	*12%*	*12%*
EBITDA	**1,082**	**1,415**	**1,940**	**2,301**	**2,719**	**3,265**	**3,871**	**4,617**	**5,433**	**6,296**
EBITDA %	*7.0%*	*8.0%*	*9.5%*	*10.0%*	*10.5%*	*11.2%*	*11.8%*	*12.5%*	*13.1%*	*13.5%*
Less: Capex	(417)	(354)	(409)	(391)	(388)	(437)	(492)	(554)	(622)	(793)
Less: Change in Working Capital	(54)	(166)	(250)	(203)	(213)	(303)	(329)	(362)	(385)	(424)
Less: Taxation	(171)	(245)	(368)	(466)	(571)	(700)	(843)	(1,019)	(1,213)	(1,415)
Free Cash Flows	**440**	**649**	**914**	**1,240**	**1,547**	**1,826**	**2,207**	**2,681**	**3,214**	**3,665**

Source: MOFSL

Exhibit 157: DCF summary (INR m)

WACC	**10.1%**
NPV	22,171
TVGR	4.50%
NPV of TV	28,362
Enterprise Value	50,533
Cash and Cash Equivalents	6
Debt	-665
Equity Value	49,875
No of Equity Shares (m)	125
Value Per Share (INR)	400
CMP (INR)	319
Upside	25%

Source: MOFSL

Bull and Bear cases

Bull case

- ☑ In our Bull case scenario, we factor in a 15% revenue CAGR over FY25-28E, driven by a higher volume growth in the namkeen segment.
- ☑ Further, with higher volumes, we expect operating leverage to improve EBITDA margin to 9.6% by FY28 (from 7.2% in FY25).

Bear case

- ☑ In our Bear case scenario, we factor in an 9% revenue CAGR over FY25-28E, driven by a lower volume growth in the namkeen segment.
- ☑ Further, with higher volumes, we expect operating leverage to improve EBITDA margin to 9.4% by FY28 (from 7.2% in FY25).

Exhibit 158: Scenario analysis

Particulars	Bear case			Base Case			Bull case		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Revenue (INR m)	15,016	16,728	18,821	15,457	17,683	20,425	15,897	18,663	22,118
EBITDA (INR m)	1,036	1,322	1,769	1,082	1,415	1,940	1,129	1,512	2,123
APAT (INR m)	516	721	1,074	562	814	1,245	608	911	1,428
Change YoY (%)	-22.1	39.8	49.0	-15.1	44.9	53.0	-8.1	49.8	56.8
Revenue Growth (%)	2.3	11.4	12.5	5.3	14.4	15.5	8.3	17.4	18.5
EBITDA Margin (%)	6.9	7.9	9.4	7.0	8.0	9.5	7.1	8.1	9.6
RoE (%)	12.1	15.2	19.7	13.1	16.9	22.3	14.2	18.7	25.0
EPS (INR)	4.1	5.8	8.6	4.5	6.5	10.0	4.9	7.3	11.5
Target Equity Value (INR m)	**37,394**			**49,875**			**68,489**		
Outstanding Shares (Nos m)	124.6			124.6			124.6		
Target price (INR)	**300**			**400**			**550**		
CMP (INR)	319			319			319		
Upside/Downside	**-6%**			**25%**			**72%**		

Source: MOFSL

Key Risks

Raw material cost volatility

Fluctuations in prices of key inputs, including pulses, flour, edible oil, spices, sugar, and packaging materials, pose significant margin risks.

Geographical concentration risk and supply chain vulnerability

With 71% of revenue derived from Gujarat, GSL faces concentration risk from local competition, disruptions, or regulatory changes. Disruptions across procurement, logistics, or manufacturing—including events like the December 2024 Rajkot plant fire—can impact production and revenue.

Product mix dependency and low A&P spend

Reliance on impulse purchase formats and lower A&P spend may limit brand recall and expansion in newer markets.

Regulatory and compliance risk

Non-compliance with food safety norms could lead to regulatory action, recalls, or reputational damage, necessitating stringent quality and compliance controls.

Company background

GSL, headquartered in Rajkot, is a leading Indian snacks manufacturer offering a comprehensive portfolio of ethnic savories and western snacks, including gathiya, namkeen, wafers, snack pellets, extruded snacks, besan, spices, and other packaged food products. Established in Gujarat, the company has strategically expanded its presence across 14 states and 2 Union Territories through a robust distribution network comprising 858 distributors, 107 micro-distributors, supported by an owned fleet of 296 logistics vehicles that ensures superior supply chain control.

The company's manufacturing infrastructure consists of three primary facilities (plus one temporary unit) and three ancillary plants, strategically positioned near key raw material sources and core consumption markets to optimize procurement and distribution costs. GSL's diversified product portfolio spans multiple snack categories and price points, enabling broad market appeal and reduced category-specific risks.

Corporate history and family restructuring

GSL was originally established by the Hadvani family as a joint venture between brothers Bipin Vitthalbhai Hadvani and Prafulchandra Vitthalbhai Hadvani, who collaboratively built the business over several decades. However, internal family dynamics eventually led to a formal separation process in November 2022.

Under the restructuring agreement, Prafulchandra Hadvani and his family divested their entire 26.23% stake in GSL for ~INR5.17b, marking a definitive split between the two family branches. This transaction enabled clear delineation of ownership and operational control.

Following the corporate restructuring, the current promoter structure of GSL comprises Bipin Hadvani, Dakshaben Hadvani, and Gopal Agriproducts. Simultaneously, Prafulchandra Hadvani, Vinaben Hadvani, and Darshit Hadvani established themselves as promoters of the newly created Gokul Snacks, a competing entity in the same industry segments.

Management Team

Exhibit 159: Senior Management Team

Leader	Role	Experience
Mr. Bipinbhai Vithalbhai Hadvani	Chairman & Managing Director	❖ 29+ years of specialized experience in the ethnic savory industry and founding member of GSL. He has been instrumental in establishing and scaling business operations from a Gujarat base to a pan-India presence.
Mr. Raj Bipinbhai Hadvani	Whole-time Director and CEO	❖ Joined the company in April 2017, he holds an MBA degree in Entrepreneurship and Family Business from SVKM's Narsee Monjee Institute of Management Studies, Mumbai
Mr. Naveen Gupta	Chief Business Officer	❖ 30 years of extensive experience in FMCG supply chain management with previous experience at Nestlé, Dabur, Karbonn Mobiles, and Bikaji.
Mr. Rigan Raithatha	CFO	❖ Qualified CA, with previous experience at CG Power and Industrial Solutions, Adani Group, Nayara Energy, and Reliance Industries.

Source: Company, MOFSL

Gokul Snacks: Key competitor arising from family separation

GSL originated as a joint venture between brothers Bipin Vitthalbhai Hadvani and Prafulchandra Vitthalbhai Hadvani. In Nov'22, following internal family disputes, Prafulchandra Hadvani and his family divested their 26.23% stake in GSL for ~INR5.17b through a formal separation agreement. Subsequently, they established Gokul Snacks as an independent competing entity in the same product categories.

Gokul Snacks, established by former Gopal promoters, competes directly with a coverage of 245k outlets across five states.

Gokul Snacks – operations

Gokul Snacks offers a comprehensive product portfolio, including namkeen, wafers, snack pellets, papad, noodles, flours, khakhra, and confectionery. The company operates a manufacturing facility in Saurashtra, Gujarat, with a monthly production capacity of 3,600 MT for namkeen, snacks, wafers, and bakery products.

As of Dec'24, Gokul Snacks has built a distribution network reaching 245k retail outlets across five states: Gujarat, Madhya Pradesh, Maharashtra, Rajasthan, and Uttar Pradesh. The operation is supported by a fleet of 40 trucks and a workforce of 796 employees, representing direct competition in GSL's core and focus markets.

Hadvani's premium brand

Prafulchandra Hadvani has also launched "Hadvani's," targeting the premium segment with 140+ products, including namkeen, bhakarwadi, moong dal, dry fruits, rusk, cookies, cereals, wafers, and 10+ ready-to-eat rice and vermicelli recipes. This brand operates across 10+ states with plans for pan-India expansion, potentially creating additional competitive pressure in premium market segments.

Exhibit 160: Hadvani's product portfolio

Source: Company, MOFSL

Exhibit 161: Gokul Snacks – performance (INR m)

Y/E March	FY23	FY24
Net Sales	**20**	**2,563**
YoY (%)		13026.3
Gross Profit	**-1**	**330**
Margin (%)	-2.9	12.9
EBITDA	**-44**	**-103**
Margin (%)	-223.8	-4.0
Reported PAT	**-30**	**-195**
Margin (%)	-154.3	-7.6
ROCE	**-0.05**	**-0.13**
ROE	**-0.35**	**-2.69**
FCFF	**-831.72**	**-607.65**
Working Capital Days	**627**	**7**

Source: MCA, MOFSL

ESG initiatives

Environment

- Commissioned a 2MW windmill at Hirana (Gujarat) and installed solar panels at the Modasa plant.
- Established effluent and sewage treatment plants enabling recycling of up to 400KL of water per day, and achieved 100% transition to biomass briquettes at the Modasa primary plant, eliminating conventional fuel dependency.

Social

- The company organizes blood donation camps, medical health camps, and provides medical assistance to individuals in need, supporting community health and welfare initiatives.
- Conducts educational programs, girls' empowerment initiatives, and plantation drives, provides marriage assistance to underprivileged families.

Governance

- Guided by an experienced leadership team and independent directors with established board committees ensuring compliance, risk management, and operational transparency across all business functions.
- Follows a comprehensive governance framework supported by regular stakeholder engagement and compliance reviews.

SWOT analysis

Financials and valuations

Standalone Income Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	**11,288**	**13,522**	**13,947**	**14,025**	**14,680**	**15,457**	**17,683**	**20,425**
Change (%)		*19.8*	*3.1*	*0.6*	*4.7*	*5.3*	*14.4*	*15.5*
Raw Materials	*9,199*	*10,735*	*9,988*	*10,026*	*11,003*	*11,484*	*13,050*	*14,951*
Gross Profit	**2,090**	**2,787**	**3,959**	**3,999**	**3,677**	**3,972**	**4,633**	**5,474**
Employee Cost	587	772	873	1,023	1,134	1,237	1,415	1,593
Other Expenses	915	1,066	1,124	1,293	1,492	1,654	1,804	1,940
Total Expenses	**10,701**	**12,574**	**11,984**	**12,341**	**13,628**	**14,375**	**16,268**	**18,485**
% of Net Sales	94.8	93.0	85.9	88.0	92.8	93.0	92.0	90.5
EBITDA	**587**	**948**	**1,962**	**1,684**	**1,052**	**1,082**	**1,415**	**1,940**
EBITDAM (%)	*5.2*	*7.0*	*14.1*	*12.0*	*7.2*	*7.0*	*8.0*	*9.5*
Depn. & Amortization	232	311	374	358	332	369	392	407
EBIT	**356**	**637**	**1,588**	**1,327**	**720**	**713**	**1,023**	**1,533**
Net Interest	111	139	108	53	34	38	35	32
Other income	14	43	39	44	56	64	84	138
PBT Before EO Exp	**259**	**541**	**1,518**	**1,318**	**742**	**739**	**1,071**	**1,639**
EO expense	2	0	0	0	-472	0	0	0
PBT after EO	**260**	**541**	**1,518**	**1,318**	**270**	**739**	**1,071**	**1,639**
Tax	54	125	395	322	80	177	257	393
Rate (%)	20.9	23.2	26.0	24.5	29.7	24.0	24.0	24.0
Minority and Associates								
Reported PAT	**206**	**415**	**1,124**	**996**	**190**	**562**	**814**	**1,245**
Change (%)		101.9	170.5	-11.4	-80.9	195.6	44.9	53.0
Adjusted PAT	**204**	**415**	**1,124**	**996**	**662**	**562**	**814**	**1,245**
Change (%)		*103.6*	*170.5*	*-11.4*	*-33.5*	*-15.1*	*44.9*	*53.0*

Standalone Balance Sheet (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	11	11	125	125	125	125	125	125
Reserves	1,346	1,765	2,784	3,779	3,923	4,373	4,983	5,917
Net Worth	**1,357**	**1,777**	**2,909**	**3,904**	**4,048**	**4,497**	**5,108**	**6,042**
Minority Interest	0	0	0	0	0	0	0	0
Total Loans	1,605	1,860	1,273	872	780	741	704	668
Deferred Tax Liability	41	45	47	44	9	9	9	9
Capital Employed	**3,003**	**3,681**	**4,229**	**4,820**	**4,837**	**5,247**	**5,820**	**6,718**
Gross Block	2,870	3,549	4,170	4,413	4,252	4,669	5,023	5,431
Less: Accum. Deprn.	1,121	1,414	1,787	2,126	1,976	2,345	2,737	3,144
Net Fixed Assets	**1,749**	**2,134**	**2,383**	**2,286**	**2,276**	**2,324**	**2,286**	**2,287**
Capital WIP	434	469	99	132	464	155	177	204
Other Non-Current Assets	30	57	68	96	56	62	68	75
Curr. Assets	**1,176**	**1,337**	**2,048**	**2,861**	**2,478**	**3,206**	**3,880**	**4,858**
Inventory	869	872	1,449	2,057	1,566	1,694	1,841	2,070
Account Receivables	75	140	114	297	235	243	272	308
Cash and Cash Equivalents	**48**	**11**	**286**	**242**	**6**	**619**	**1,035**	**1,648**
Cash	48	11	36	241	2	614	1,031	1,643
Bank Balances	0	0	250	1	5	5	5	5
Other Current Assets	73	111	54	121	152	116	133	153
Others	111	203	145	144	518	534	599	678
Curr. Liability & Prov.	**385**	**316**	**370**	**555**	**438**	**499**	**591**	**706**
Account Payables	175	70	94	209	176	212	247	291
Provisions & Others	210	246	276	346	261	287	344	415
Net Curr. Assets	**791**	**1,021**	**1,678**	**2,306**	**2,040**	**2,707**	**3,289**	**4,152**
Appl. of Funds	**3,003**	**3,681**	**4,229**	**4,820**	**4,837**	**5,247**	**5,820**	**6,718**

E. MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
Adjusted EPS				8.0	5.3	4.5	6.5	10.0
Growth (%)					**-33.5**	**-15.1**	**44.9**	**53.0**
Cash EPS				10.9	8.0	7.5	9.7	13.3
BV/Share				31.3	32.5	36.1	41.0	48.5
DPS				0.3	1.0			
Payout (%)				3.1	18.8	0.0	0.0	0.0
Dividend yield (%)				0.1	0.3	0.0	0.0	0.0
Valuation (x)								
P/E				39.9	60.1	70.8	48.8	31.9
Cash P/E				29.4	40.0	42.7	33.0	24.1
P/BV				10.2	9.8	8.8	7.8	6.6
EV/EBITDA	2.7	2.0	0.6	24.0	38.5	36.9	27.9	20.0
Dividend Yield (%)				0.1	0.3	0.0	0.0	0.0
Return Ratios (%)								
EBITDA Margin (%)	5.2	7.0	14.1	12.0	7.2	7.0	8.0	9.5
Net Profit Margin (%)	1.8	3.1	8.1	7.1	4.5	3.6	4.6	6.1
RoE	15.0	26.5	48.0	29.2	16.6	13.1	16.9	22.3
RoCE (post-tax)	10.0	15.3	30.2	22.2	13.2	10.6	13.8	18.2
RoIC (post-tax)	11.3	17.4	32.8	23.9	11.7	12.4	17.4	24.9
Working Capital Ratios								
Fixed Asset Turnover (x)	6.5	6.3	5.9	6.1	6.5	6.7	7.7	8.9
Asset Turnover (x)	3.8	3.7	3.3	2.9	3.0	2.9	3.0	3.0
Inventory (Days)	28	24	38	54	39	40	38	37
Debtor (Days)	2	4	3	8	6	6	6	5
Payable (Days)	6	2	2	5	4	5	5	5
Cash conversion Cycle (Days)	25	25	38	56	40	41	39	37

Standalone Cash flow statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PBT	**260**	**541**	**1,518**	**1,318**	**270**	**739**	**1,071**	**1,639**
WC	8	-310	-363	-715	-212	-54	-166	-250
Others	331	444	472	401	824	407	427	440
Direct taxes (net)	-90	-89	-412	-321	-200	-177	-257	-393
CF from Op. Activity	**509**	**586**	**1,215**	**683**	**683**	**915**	**1,075**	**1,435**
Capex	-757	-730	-253	-303	-837	-108	-376	-436
FCFF	**-247**	**-144**	**962**	**380**	**-154**	**808**	**699**	**999**
Interest income	0	1	9	6	13	0	0	0
Others	-88	-11	-258	255	0	0	0	0
CF from Inv. Activity	**-844**	**-740**	**-502**	**-42**	**-824**	**-108**	**-376**	**-436**
Share capital								
Borrowings	479	249	-582	-392	-10	-50	-50	-50
Finance cost	-101	-131	-106	-44	-32	-38	-35	-32
Dividend	0	0	0	0	-57	-112	-203	-311
Others	0	0	0	0	0	6	6	7
CF from Fin. Activity	**378**	**118**	**-688**	**-436**	**-99**	**-195**	**-282**	**-387**
(Inc)/Dec in Cash	**43**	**-37**	**25**	**205**	**-239**	**613**	**416**	**612**
Opening balance	5	48	11	36	241	2	614	1,031
Closing balance	**48**	**11**	**36**	**241**	**2**	**614**	**1,031**	**1,643**

E. MOFSL Estimates

Prataap Snacks

BSE Sensex	S&P CNX
85,063	26,179

PRATAAP SNACKS LIMITED

Stock Info

Bloomberg	DIAMOND IN
Equity Shares (m)	24
M.Cap.(INRb)/(USDb)	28.4 / 0.3
52-Week Range (INR)	1296 / 863
1, 6, 12 Rel. Per (%)	9/13/-6
12M Avg Val (INR M)	101
Free float (%)	45.1

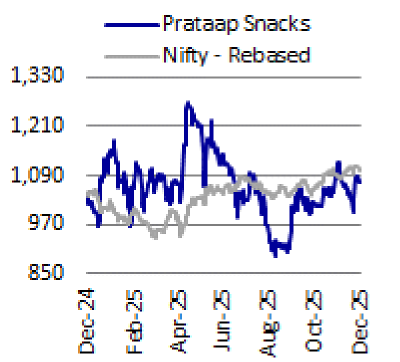
Financial snapshot (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	18.0	20.7	23.6
EBITDA	1.0	1.4	1.9
Adj. PAT	0.2	0.4	0.8
EBITDA (%)	5.3	6.7	8.0
EPS (INR)	7.9	18.8	33.4
EPS Gr. (%)	-311.9	139.4	77.3
BV/Sh. (INR)	296.6	315.4	348.9
Ratios			
Net D/E	0.1	0.1	0.0
RoE (%)	2.7	6.2	10.1
RoCE (%)	1.9	4.9	8.3
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	152.6	63.7	35.9
P/B (x)	4.0	3.8	3.4
EV/EBITDA (x)	30.8	21.3	15.0
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	54.9	54.9	59.5
DII	7.2	7.6	9.0
FII	5.6	6.8	6.3
Others	32.3	30.7	25.2

Stock performance (1-year)



CMP: INR1,201 TP: INR1,500 (+25%) Buy

Operating efficiency & demand recovery drive growth

- **Prataap Snacks (PSL) stands as a leading value-driven player in the packaged snack market, with a diverse portfolio of over 150 SKUs spanning chips, extruded snacks, namkeen, and sweet snacks. The company commands strong positions in extruded snacks (56% of sales), potato chips (21%), and namkeen (18%). Over the past five years, extruded snacks delivered a CAGR of 7% and are projected to grow in the low- to mid-teen range, led by innovation in pellets and the expanding *Chulbule* brand. Potato chips faced muted growth due to lower grammage but are expected to resume a high single-digit growth with an improved mix. Following a period of decline due to limited strategic focus, the namkeen segment is poised for mid-teens growth with renewed attention, and new SKUs drive penetration and consumer preference.**
- **PSL currently operates the most extensive distribution network, employing more than 5,200 distributors covering 2.5m retail outlets across 27 states and 4 Union Territories. A recent shift from a three-tier to a two-tier model in FY22, eliminating super stockists and raising distributor margins from 8% to 10%, has further solidified channel loyalty, coverage, and execution. Looking forward, margin optimization could reduce distributor payout by 50bp to 9.5%, balancing competitiveness and cost control for sustained channel health.**
- **PSL's Indore plant (~45% of revenue) currently runs over seven low-automation units, resulting in production costs about 20-25% higher than peers. Management is consolidating these into one automated facility by FY28, targeting a 150–200bp margin boost and doubling asset turnover to ~4x. Further transition from third-party to owned plants in North India will enhance quality and margins.**
- **Aggressive cost-savings, underpins a robust EBITDA recovery, with revenue/ EBITDA CAGR expected at 11%/57% over FY25-28. We initiate coverage with a BUY rating and a DCF based target price of INR1,500, (implied P/E of 45x on FY28E).**

Value portfolio caters to all age groups

PSL offers a broad portfolio of 150+ SKUs across potato chips, extruded snacks, namkeen, and sweet snacks, catering to all age groups with a focus on value. The extruded snacks category, PSL's largest segment (56% of sales), posted a 7% CAGR over five years and is expected to grow in the low to mid-teens. The growth would be driven by pellets, *Chulbule*, and Rings. Potato chips (21%) faced slower growth due to lower grammage, but are projected to grow at high single digits with improved mix. Namkeen (18%) had declined earlier due to limited distribution, but PSL now targets mid-teens growth with renewed focus and expansion.

Revamped strategy: Driving growth across categories

Management has defined a clear category-centric growth strategy segmented into Anchor Products (46%), Growth Products (48%), and Next Products (1–2%). Anchor products, including Chips, Chulbule, and Rings, will drive growth through flavor innovation, premiumization, and deeper market penetration. *Chulbule* is expected to clock a mid-teen CAGR. Growth products, led by Pellets and Namkeen, are targeted to grow in the mid-teens through value-led offerings and regional innovations that cater to local tastes. The emerging next product segment, featuring the health-focused 7 Diamonds range, aims to leverage modern trade and larger pack formats, targeting 5% of the portfolio by FY28.

Unlocking margin potential through plant consolidation and cost control

PSL's Indore plant, accounting for ~45% of revenue, currently operates seven small, low-automation units with production costs around 20-25% higher than peers. The company plans to consolidate these into a single automated facility by FY28, targeting a 150–200bp margin uplift and doubling asset turnover to ~4x. Additionally, management aims to transition from third-party to owned manufacturing units in North India to improve quality and margins. The company boasts the largest distribution network among listed snack players, with 5,200+ total distributors (1800 direct distributors) covering 2.5m outlets (750k direct reach) across 27 states and 4 Union Territories, predominantly in North and West India. A strategic shift from a 3-tier to a 2-tier distribution model in FY22 raised distributor margins from 8% to 10%, with further optimization expected to reduce payouts to 9.5%, collectively driving an estimated 100bp margin improvement by FY28.

Avadh is expected to deliver high single digit growth

PS initially acquired a 90.5% stake in Avadh Snacks and later merged it to strategically expand into the Gujarat market and strengthen its regional presence. The complementary product portfolios created synergies in manufacturing, operations, and distribution while enabling cross-selling of PSL's Yellow Diamond brand. Avadh, initially a regional player, has evolved into a significant growth driver nationally, especially in the fryums and pellet categories. Since the acquisition, Avadh Snacks has achieved a revenue CAGR of ~7%, reaching INR2.25b in FY25. Management projects a high single-digit growth over the next 2–3 years.

Financial outlook

PSL experienced a period of underperformance despite favorable industry conditions. However, the company is likely to deliver strong financial performance, with revenue and EBITDA clocking a CAGR of 11% and 57%, respectively, over FY25-28E, driven by volume growth and significant margin improvement.

Valuation and view: Initiate coverage with a BUY rating

We initiate coverage on PSL with a BUY rating and a DCF-based TP of INR1,500, implying an FY28 P/E of 45x. The investment case is anchored on a compelling turnaround driven primarily by 1) plant consolidation and automation enhancing cost efficiency and 2) strategic improvements in the distribution model optimizing channel margins and market reach.

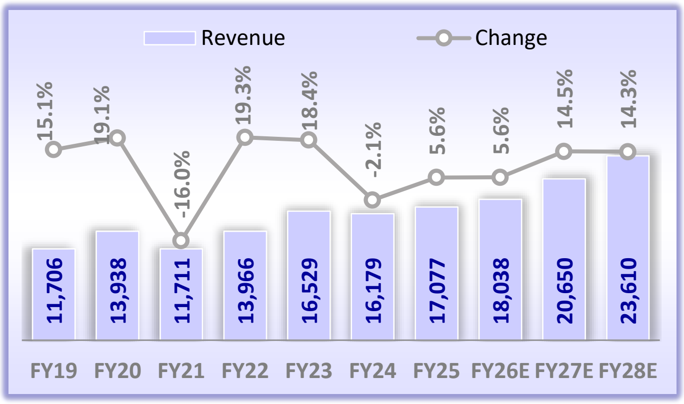
Key risks and concerns

Key risks would include: 1) raw material cost inflation, which can pressure margins; 2) potential supply chain disruptions impacting production and distribution; 3) heightened competition from large established players and emerging brands; and 4) execution risks related to plant consolidation and distribution model changes.

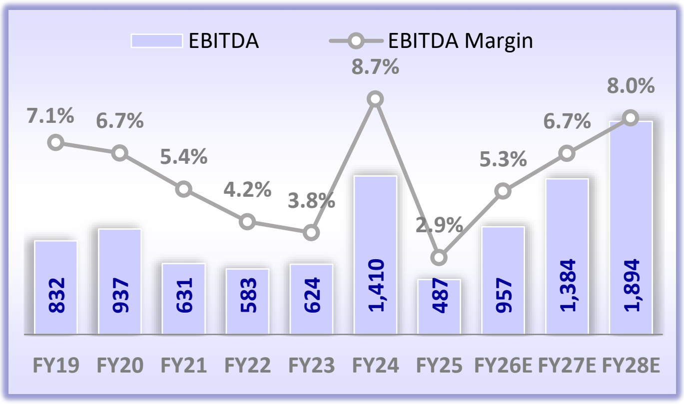
STORY IN CHARTS

Product portfolio strategy

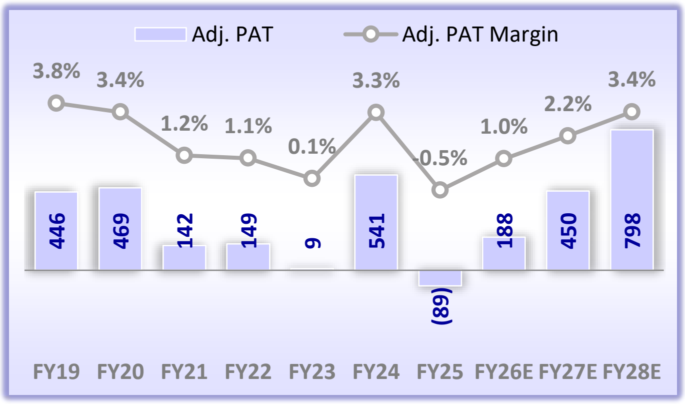
Revenue (INR m) and revenue growth (%)



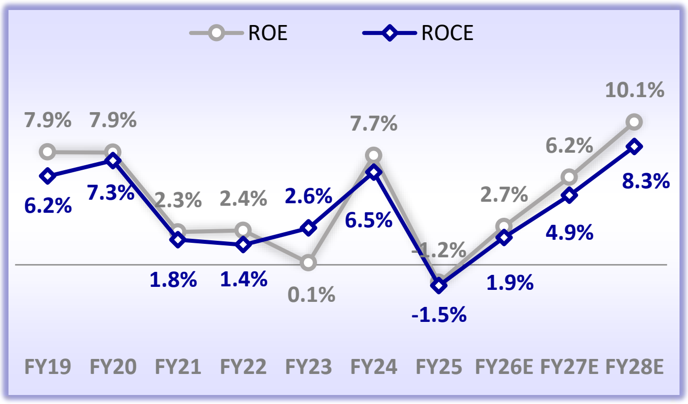
EBITDA (INR m) and EBITDA margin (%)



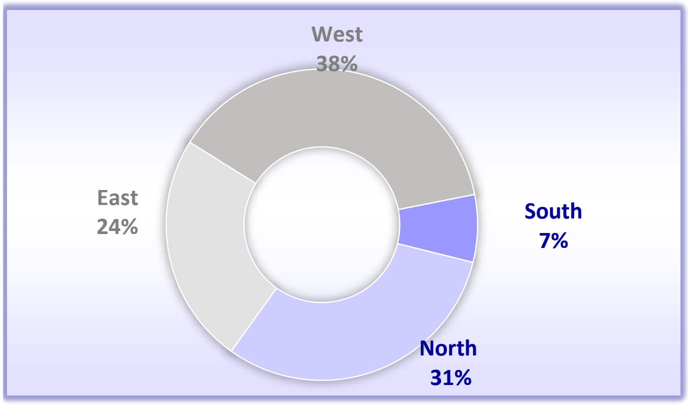
PAT (INR m) and PAT growth (%)



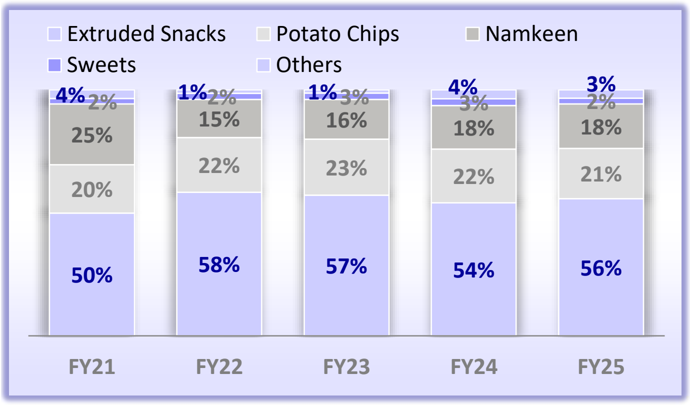
Return ratio (%)



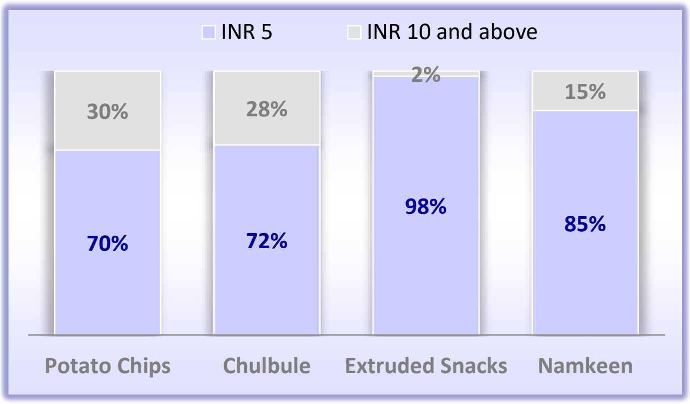
Revenue mix by region (FY25)



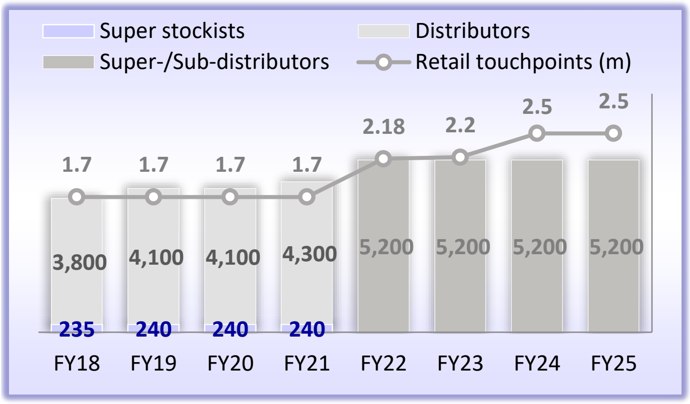
Revenue contribution by product category



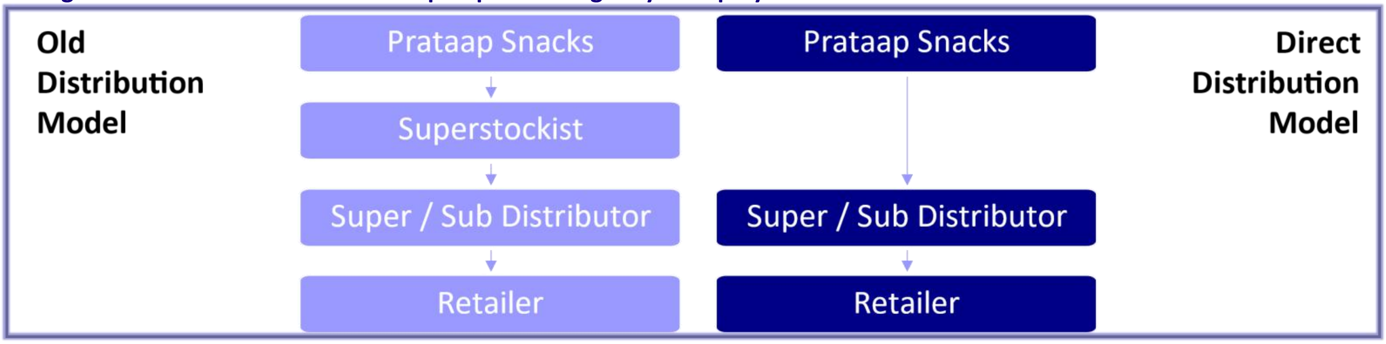
Volume contribution by price point



Distributor (nos.)



Change in the distributor model to help improve margin by 100bp by FY28



Geography-wise categorization: Focused growth strategy

- High-margin region with a strong existing PSL presence and an established right to win
- Focus on deeper retail penetration, higher share of shelf, driving large packs, and investing aggressively for growth

- Large markets where PSL has gained initial traction
- Focus on expanding distribution, deepening rural reach, building regional products, and strengthening wholesale presence

- Maintain market share while optimizing costs to improve margins and plug leakages

Value Portfolio Offering Through Revamped Strategy

Value portfolio caters to all age groups

PSL has developed a diverse portfolio of 150+ SKUs across potato chips, extruded namkeen, ethnic namkeen, and sweet snacks under its flagship brands Yellow Diamond and Avadh. Catering to all age groups, the company also addresses health-conscious consumers through its 7 Diamonds range. The top 10 products, including *Chulbule, Katori, Wheel, Pipes, Rings, Potato Chips*, and popular Namkeen varieties like *Moong Dal, Aloo Bhujia, and Punjabi Tadka*, contribute approximately 55-60% of the portfolio.

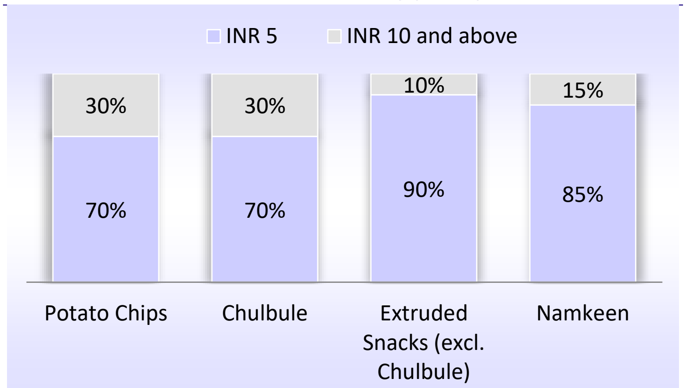
PSL entered the Indian snacking market in 2005 with its potato chips offering. Spotting an opportunity in extruded snacks, the company launched Chulbule, targeting youth and kids, followed by Rings – a unique product that included toys in the packs to engage children. Both products saw strong market acceptance, with the extruded snacks category surpassing INR1b in turnover within two years. This early innovation positioned PSL as a key player in India's snacking space.

Exhibit 162: Yellow Diamond and Avadh Snacks – products portfolio

Source: Company, MOFSL

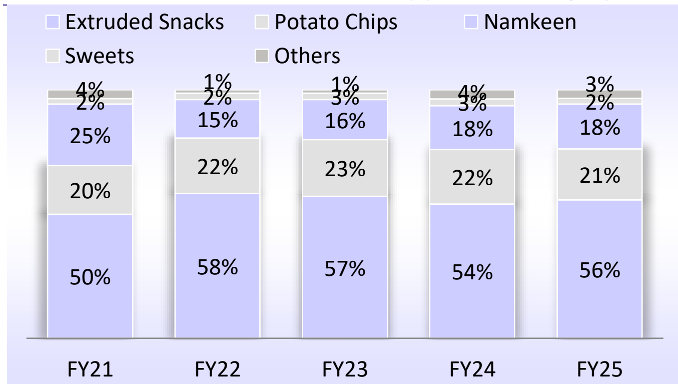
The company holds a leadership position in extruded snacks, namkeen, and rings, ranking among the top five players in the Western savory snacks segment. In 2011, the company expanded its portfolio with Rings, Namkeen, and Wheels (Pellets), followed by Scoops (Pellets) in 2014. Since its inception, PSL has positioned itself as a value brand, with 90% of sales coming from impulse packs and offering higher grammage than competitors to strengthen its pan-India presence.

Exhibit 163: Volume contribution by price point



Source: Company, MOFSL

Exhibit 164: Revenue contribution by product category



Source: Company, MOFSL

Extruded snacks (56% of the portfolio)

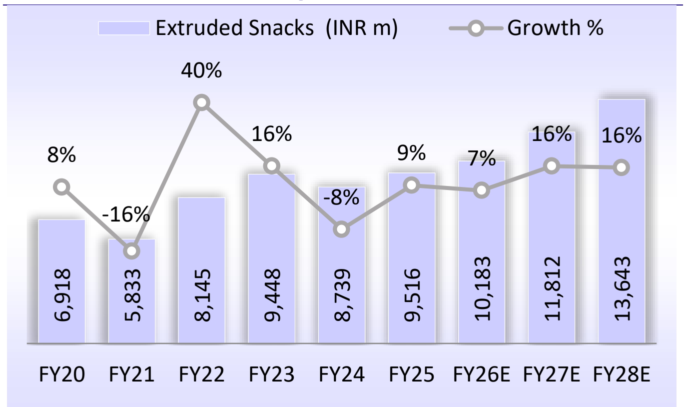
Extruded snacks form the largest segment in PSL's portfolio, making up about 56% of the total. This category's total addressable market (TAM) stands at INR153b, representing ~54% of the organized Western snacks market (INR284b). Key sub-segments include snack pellets/fryums (~27–28%), Chulbule (~15–16%), and Rings (~8–9%). Snack pellets have a strong presence in Gujarat and East India, where no major national players dominate. This sub-segment has seen rapid growth, from INR0.3b in FY18 to INR4.8b in FY25.

Extruded snacks segment, the largest revenue contributor, is led by snack pellets portfolio; we expect mid-teens growth over the next 2-3 years.

Over the past five years, the extruded snacks category has grown at a 7% CAGR, largely driven by the snack pellets segment. The impulse segment accounts for 90% of this category. Going forward, management plans to focus on innovation with product extensions within the Chulbule portfolio. The category delivers a gross margin of 30–35% and an EBITDA margin in the mid- to high-single digits. Management targets mid-teens growth over the next 2–3 years, led by snack pellets and Chulbule (low teens growth) and Rings (low-to-mid-single-digit growth).

Before Covid-19, Rings was PSL's largest category, contributing ~42% of sales. By FY25, its share dropped sharply to 8–9%. Rings had strong appeal among school children, partly due to the inclusion of small toys costing about INR0.6 per pack. However, post-Covid shifts in consumer preferences favored Fryums, perceived as a lighter, healthier snack with higher grammage packs. PSL's heavy reliance on Rings adversely impacted its revenue growth during this period.

Exhibit 165: Revenue and growth trend – Extruded snacks



Source: Company, MOFSL

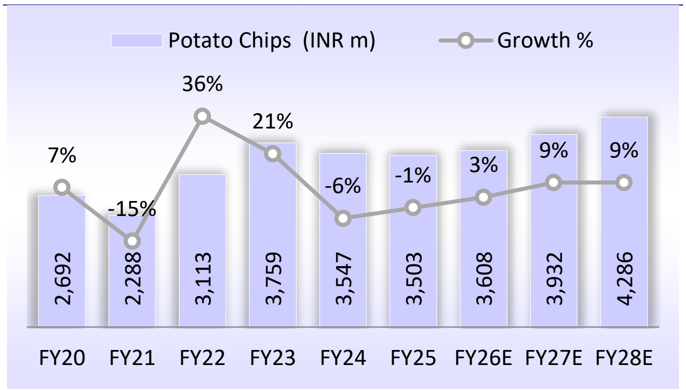
Exhibit 166: Product portfolio – extruded snacks

Source: Company, MOFSL

Potato chips (21% of the portfolio)

The potato chips category represents PSL's second-largest category, contributing ~21% of the portfolio with a sizable TAM of INR125b. The segment has faced challenges in recent years due to lower grammage compared to ethnic snacks. Management estimates the category has grown low single-digit, with impulse sales making up over 70%. Over the last five years, PSL has achieved a 5% CAGR in this category. Going forward, management expects high single-digit growth, driven by rebalancing the currently over-indexed impulse mix, which could also support margin improvement.

Exhibit 167: Revenue and growth trends – Potato chips



Source: Company, MOFSL

Exhibit 168: Product portfolio – potato chips

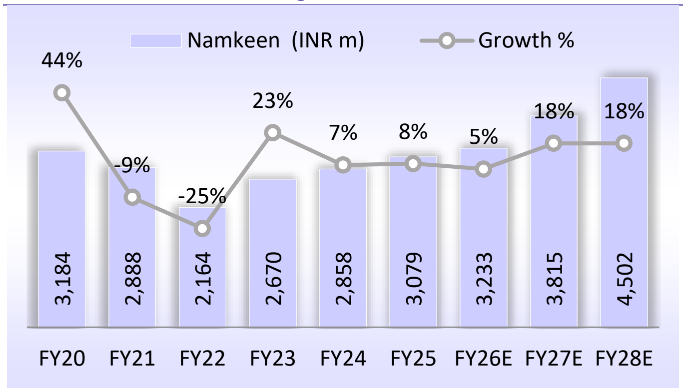
Source: Company, MOFSL

Namkeen portfolio would drive product innovation (regional product) and expects mid-teens growth.

Namkeen (18% of the portfolio)

PSL's namkeen portfolio, with a TAM of INR135b, includes *Moong Dal, Aloo Bhujia, flavored peanuts, Ratlami Sev, and Bhavnagari Gathiya*, marketed under the *Yellow Diamond* and *Avadh* brands. Although it is the company's third-largest category, Namkeen has seen a decline over the past five years due to its late market entry, limited differentiation, low distribution focus, intense regional competition, and a low-margin impulse-driven model (~85% sales). Management deprioritized the segment but has renewed focus over the past 18 months as it emerged as among the fastest-growing segments post-Covid. Key products such as Moong Dal, Aloo Bhujia, Punjabi Tadka, Tasty Peanuts, and Ratlami Sev constitute 70-75% of Namkeen sales. The innovation pipeline includes various mixtures, peanuts, and gathiya papdi, with management targeting mid-teens growth through distribution expansion and new product development.

Exhibit 169: Revenue and growth trends – Namkeen



Source: Company, MOFSL

Exhibit 170: Product portfolio – namkeen category

Source: Company, MOFSL

Sweet (2% of the portfolio)

The sweet portfolio accounts for ~2% of the total portfolio for PSL and has been relatively static over the past five years. The company entered this segment in FY17, attracted by its high-growth potential and gross margins of approximately 38–40%. However, initial results were limited due to product issues; for example, Yum Pie under the Rich Feast brand failed because the cakes melted when exposed to sunlight at retail points. Currently, the portfolio includes over 10 SKUs, and management expects a low single-digit growth trajectory over the next 2-3 years.

Revamped strategy: Driving growth across categories

Management has segmented the portfolio into three distinct categories to drive focused growth: Anchor Products (~46% of the portfolio), including Chips, Chulbule, and Rings; Growth Products (~48%), primarily comprising Pellets and Namkeen; and Next Products (~1–2%), represented by the health-focused 7 Diamonds range. This category-wise strategy enables targeted innovation, market penetration, and expansion efforts tailored to each segment's dynamics.

Exhibit 171: Focused growth strategy for each product segment

Source: Company, MOFSL

Anchor products, constituting ~46% of PSL's portfolio, are expected to grow through flavor-led innovation, premiumization in potato chips – where the company currently over-indexes in impulse packs and deeper market penetration, particularly in Eastern and Southern India. Management anticipates Chulbule to lead this growth with a mid-teen CAGR, while Rings and Potato Chips are projected to deliver mid-single-digit growth over the next 2–3 years.

Growth products would lead the growth, followed by the Anchor products category.

Growth products, comprising ~48% of PSL's portfolio, are expected to grow at a mid-teen CAGR over the next 2–3 years, led by Snack Pellets and followed by Namkeen. The growth strategy emphasizes value-driven offerings within highly competitive segments and regionalized innovations tailored to local tastes, such as Gathiya in Gujarat, Mixer/Bhujia in Uttar Pradesh and Madhya Pradesh, Jhalmuri in Eastern India, and Chiwda in Maharashtra.

Next products, currently about 1% of PSL's portfolio, represent the emerging "better-for-you" snacking category, primarily driven by the '7 Diamonds' range. This segment is targeted mainly at modern trade channels with larger pack formats. Management expects it to capitalize on rising health-conscious snacking trends and aims for it to constitute approximately 5% of the portfolio by FY28.

Strategic brand building: Primarily focusing on cartoon-based advertising

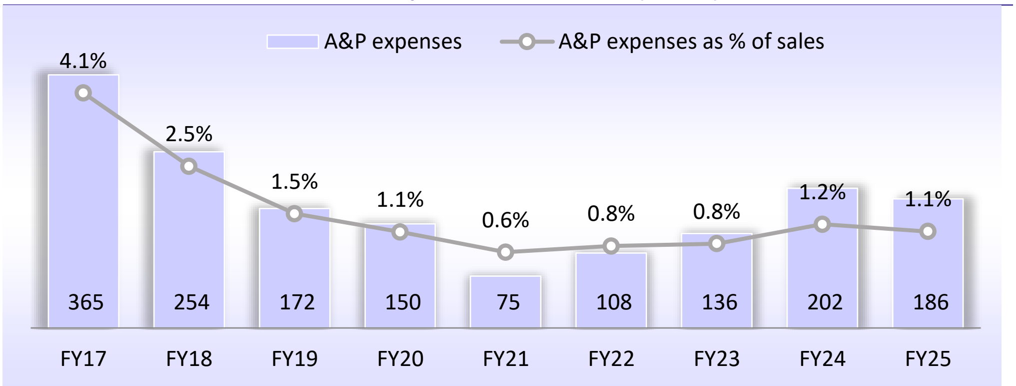
Regional and kid-focused marketing initiatives by PSL boost brand recall and visibility and effectively reach the target consumers.

PSL has positioned itself as a value-driven brand with the tagline *'Dildaar hain hum,'* emphasizing generosity and value-for-money by offering more quantity, taste, and joy especially in impulse and value segments. From 2016 to 2019, Salman Khan served as brand ambassador, during which A&P spending was around 2% of sales. Since then, marketing focus shifted to regional campaigns featuring local actors such as Dilip Joshi for the Avadh brand and kid-centric promotions with animated characters such as *Motu Patlu* on kids TV channels. With PSL's expanding pan-India presence, reinvesting in a strong national brand ambassador could enhance visibility. The current A&P spending is ~1.1% of sales, with management expecting it to remain stable over the next 2–3 years.

Exhibit 172: Brand ambassadors

Source: Company, MOFSL

Exhibit 173: Stable advertisement expenses as % of sales (INR m)



Source: Company, MOFSL

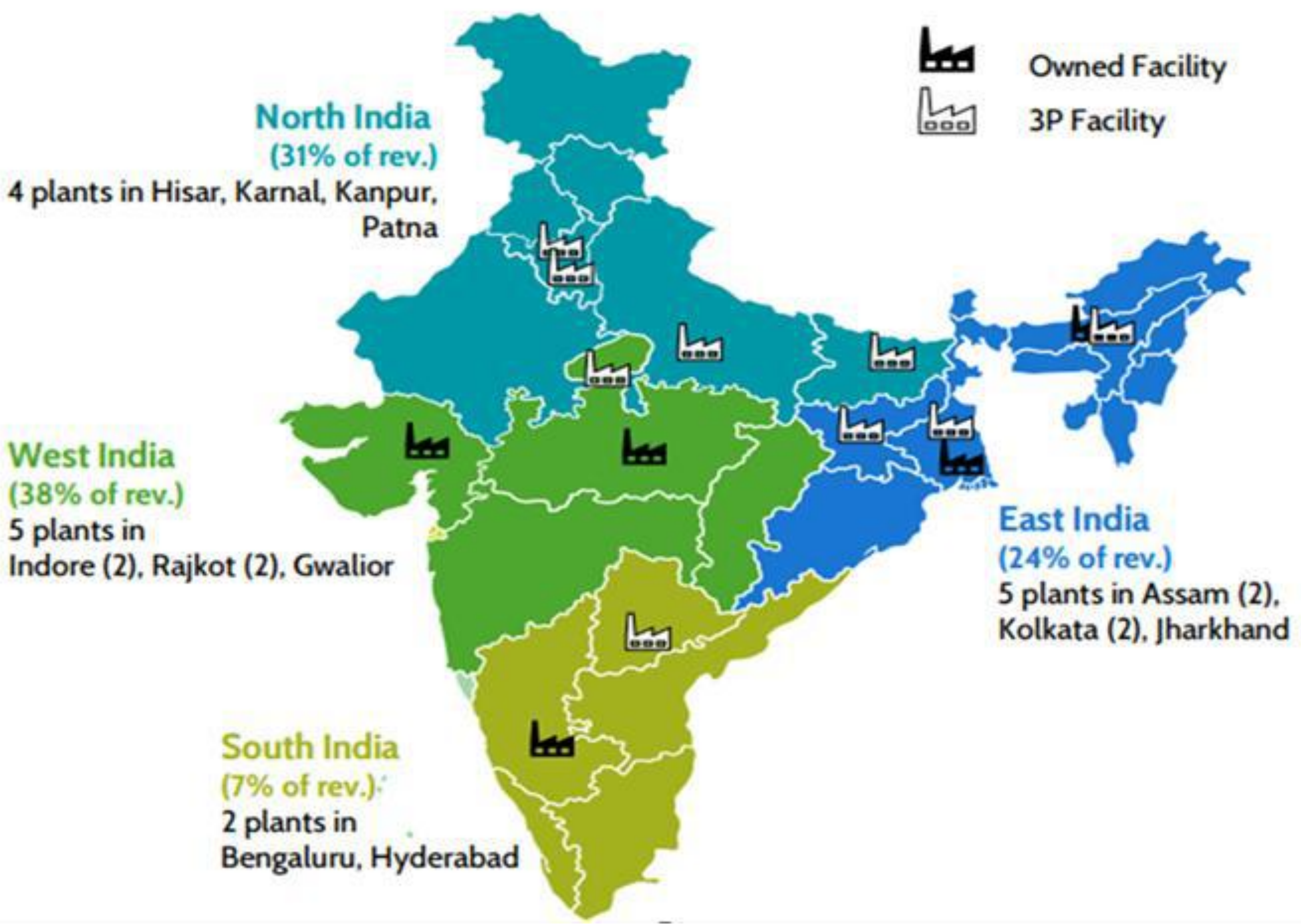
Unlocking margin potential through plant consolidation and cost control

Plant realignment plans, backed by strategically located plants, would help to improve operating margin by 150-200bp by FY28.

Strategically located plants to cater to the regional demand

- PSL has strategically positioned its manufacturing and distribution to serve the rapidly growing regional markets of West and North India, which together account for ~69% of India's total snacks market. These two regions contribute about 70% of PSL's sales, with the West leading at 38% and the North at 31%, followed by the East (24%) and South (7%). Key states contributing 55-60% of total sales include Madhya Pradesh, Maharashtra, Delhi NCR, Haryana, Gujarat, and Uttar Pradesh.
- PSL operates 16 manufacturing facilities across India, including 7 owned units located in Indore (Units 1 & 2), Assam, Bengaluru, Kolkata, and Rajkot (Units 1 & 2). Additionally, it utilizes 9 third-party facilities spread over Kolkata, Jharkhand, Hyderabad, Kanpur, Karnal, Patna, Hissar, Gwalior, and Nalbari. The strategic location of these plants near key markets enables the company to effectively meet regional demand and serve diverse geographies efficiently.
- PSL has a total manufacturing capacity of 150,000 metric tons (MT), with ~75% (110,000 MT) sourced from its owned facilities and the remaining 25% (40,000 MT) from third-party contractors. The current overall capacity utilization is around 60%, which is anticipated to increase to ~70-75% by FY28.

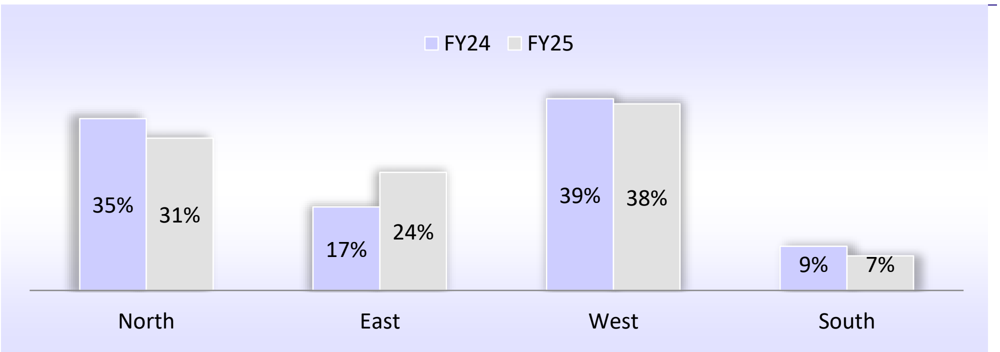
Exhibit 174: Manufacturing presence across India



Source: Company, MOFSL

PSL established its first potato chips manufacturing facility in Indore in 2005, followed by the Chulbule plant in 2007. The Indore complex is the largest for the company, contributing ~45% of total business. Initially operating smaller production lines, the company has expanded by acquiring nearby units, currently running over seven small, low-automation facilities with production costs ~20-25% higher than peers and employee costs nearly double. To improve margins, management plans to consolidate these units into a single, automated plant by FY28, expected to enhance operational efficiency by 150–200bp and double asset turnover from 2x to ~4x. Additionally, in North India, where most third-party facilities reside, the company aims to shift to own manufacturing to improve quality and margins. Margin improvement plans also include securing forward contracts for raw material and exploring backward integration strategies.

Exhibit 175: Regional revenue mix



Source: Company, MOFSL

Given that ~90% of PSL's sales come from impulse packs, the proximity of manufacturing facilities to key markets is critical. While owning plants involves significant capital expenditure, the company adopted a third-party (3P) manufacturing model to enable pan-India expansion in an asset-light manner. However, margins from 3P facilities are 350–400bp lower than those from owned plants. Management expects the contribution of 3P manufacturing to remain at similar levels by FY28.

Avadh delivers a 7% revenue CAGR over the last five years

The acquisition of Gujarat-based Avadh Snacks enabled PSL to enter and expand in the competitive Gujarat market.

PSL acquired an 80% stake in Avadh Snacks in FY19 for INR1.48b, later increasing its holding to 90.5% by acquiring an additional 10.5% stake for INR330m, and merged the brand in FY22. This strategic acquisition facilitated PSL's entry into the Gujarat market and created synergy by blending Avadh's regional strength with PSL's national distribution footprint. Avadh has evolved from a Gujarat foothold to drive PSL's nationwide expansion, particularly in the fryums and pellet-based categories, which are now central to growth strategy. Cross-selling efforts have increased market touchpoints in Gujarat and adjacent regions with the Yellow Diamond brand. Since acquisition, Avadh has delivered approximately 7% revenue CAGR, reaching INR2.25b in FY25, led by Namkeen and Snack Pellets. Management expects high single-digit growth over the next 2-3 years.

Exhibit 176: Avadh Snacks – product portfolio

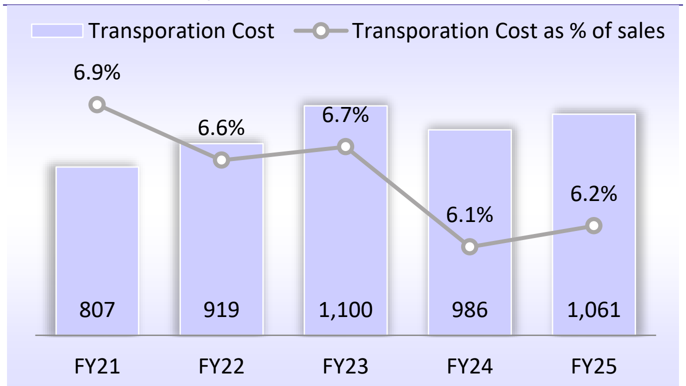
Source: Company, MOFSL

Focus on the Western snacks product portfolio is resulting in higher transportation costs of ~6.2% vs. listed peers.

Higher transportation costs among the peers while expect to come down

PSL's portfolio is predominantly composed of Western snacks such as chips and extruded products, which require more space and result in higher transportation costs. Transport costs account for about 5% of revenue for Namkeen and ~7.5–8% for other categories due to different pack sizes. Consequently, the overall transportation cost is relatively high at 6.2% of total revenue as of FY25, exceeding peer levels. To mitigate this, the company is optimizing its supply chain by aligning production facilities with target markets, aiming to reduce freight costs by 50–75bp in the long term.

Exhibit 177: Transportation cost as % of revenue (INR m)



Source: Company, MOFSL

Exhibit 178: Transportation cost vs. listed peers (%)

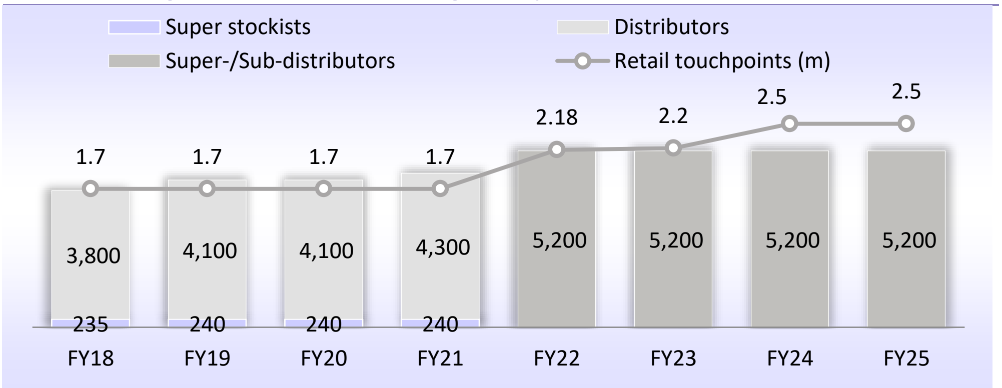
	FY21	FY22	FY23	FY24	FY25
GSL	3.1	3.0	2.9	3.0	3.8
BFL	2.9	3.8	3.9	3.8	4.0
PSL	6.9	6.6	6.7	6.1	6.2

Source: Company, MOFSL

Restructured distribution efforts help in cost optimization

PSL operates the most extensive distribution network among listed snack players, comprising over 5,200 super- and sub-distributors (~1800 direct distributors) and reaching ~2.5m retail outlets (750k direct reach) across 27 states. About 60% of these outlets are concentrated in North and West India. The top five states – Madhya Pradesh, Maharashtra (primarily Mumbai and Pune), Delhi NCR, Haryana, and Assam – account for around 45-50% of total outlets. Given the estimated total addressable retail universe of ~8m outlets for snacks, there remains considerable potential for deeper market penetration. While, the management's current focus is on improving outlet throughput instead of widening numeric distribution.

Exhibit 179: Highest retailer reach among listed peers

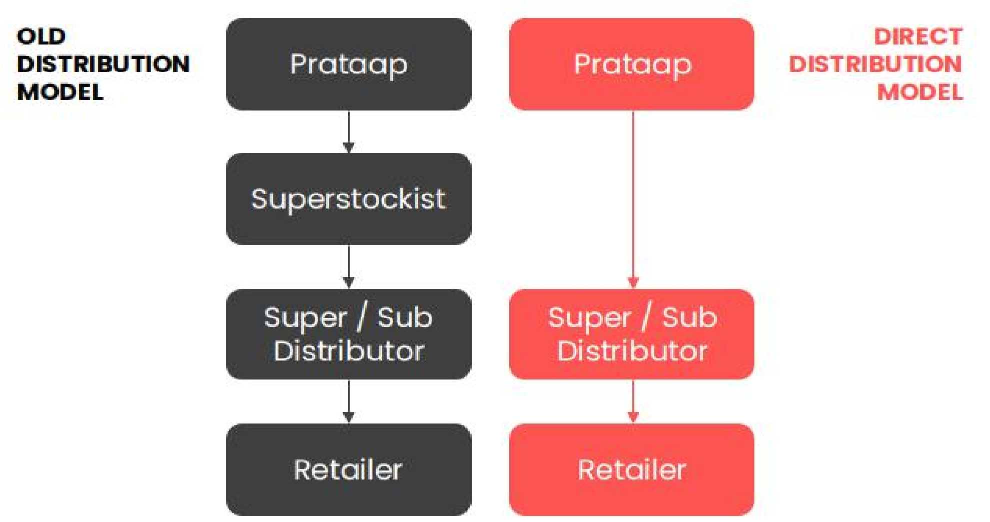


Source: Company, MOFSL

PSL has an extensive distribution network, which is transitioning to the direct distributor model; this aids a margin improvement of ~50-100bp.

The company previously used a three-tier distribution model involving super stockists, distributors, and retailers with pan-India reach. The company saved a 3% margin on super-stockists margins and freight allowance to super stockists, collectively. In FY22, PSL transitioned to a two-tier model by eliminating super stockists, increasing distributor margins from 8% to 10%. Management expects distributor margins to ease to around 9.5% going forward, still higher than peer levels of 7–8%. This distribution model change is expected to yield a margin improvement of ~50–100bp.

Exhibit 180: Change in distribution model



Source: Company, MOFSL

Geographical categorization helps to focus on right markets

PSL categorizes its markets into Command, Expand, and Maintain regions each representing around one-third of India's snack TAM to tailor focused growth strategies. Command regions, such as Madhya Pradesh, Maharashtra (primarily Mumbai & Pune), Delhi NCR, Haryana, and Assam, are well-established markets with strong consumer popularity. These regions will be driven by range selling, which deepens retail penetration by securing shelf space for the full product range, and by promoting larger pack sizes to capture family consumption. Expand regions such as Uttar Pradesh, Bihar, West Bengal, and South India where initial traction has been gained, will see growth fueled by distribution expansion and the launch of regional products. In these underpenetrated markets, the company plans to add new touchpoints. Maintain regions including Kerala and Himachal Pradesh, will focus on preserving market share while optimizing costs to improve margins.

Exhibit 181: Geographical categorization

Command Regions	Expand Regions	Maintain Regions
• High-margin region with a strong existing PSL presence and an established right to win • Focus on deeper retail penetration, higher share of shelf, driving large packs, and investing aggressively for growth	• Large markets where PSL has gained initial traction • Focus on expanding distribution, deepening rural reach, building regional products, and strengthening wholesale presence	• Maintain market share while optimizing costs to improve margins and plug leakages

Source: Company, MOFSL

Changes in product and pack portfolio to cater to the demand of modern trade, Q-com, and exports to drive alternate trade channels

Improved thrust on alternate channels

Currently, general trade accounts for 98% of PSL's total sales, while the company has a presence in modern trade, quick commerce, and exports to widen its market reach. To cater to these alternate channels, PSL is adjusting its product-price-packaging architecture by introducing larger pack sizes. Management aims to raise revenue contribution from emerging channels, particularly through the 7 Diamonds brand, from less than 1% to over 5% within three years. The 7 Diamonds range targets modern trade and quick commerce channels initially and will be introduced later in general trade with smaller packs priced at INR10 and INR20.

- **Q-commerce channel:** PSL launched products on multiple Q-commerce platforms and is building a dedicated team to focus on this fast-growing channel. Given the smaller order sizes, the company is optimizing its supply chain to improve fill rate efficiency and is exploring partnerships with distributors.
- **Modern trade:** The company has partnered with one major retail chain and is in discussions with three others. The company is developing large-pack Namkeen variants specifically for modern trade and exploring partnerships in West India while negotiating presence in South Indian outlets from Q2 FY26.
- **Exports** contribute over 1% of sales, with distribution in nine countries, primarily in the Middle East. Aligned with the strategy to shift from higher INR5 pack contributions to larger pack sizes, PSL expects strong double-digit growth in exports over the next 2-3 years by engaging with larger retail partners.

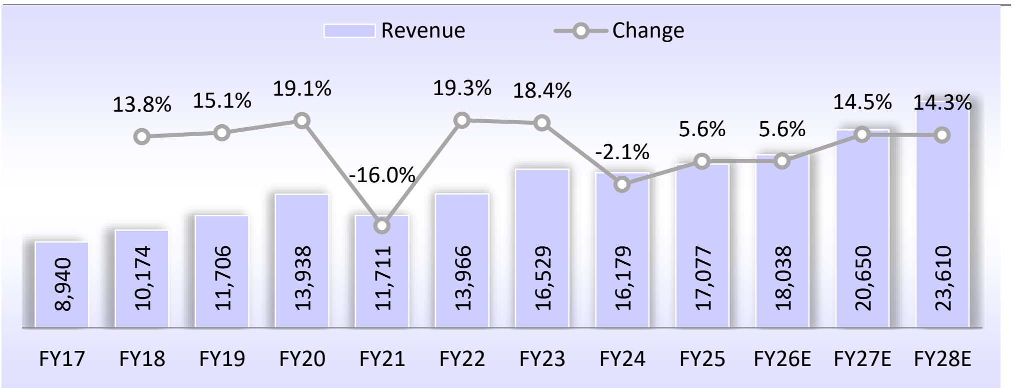
Financial outlook

Estimate revenue CAGR at 11% over FY25-28

PSL delivered a modest revenue CAGR of 4.1% over FY20-25 due to changing industry dynamics, with sales in extruded snacks and potato chips growing at 6.6% and 5.4%, respectively, while Namkeen and Sweet snacks declined. The snack pellets portfolio, a key part of extruded snacks, exhibited a robust 48% CAGR during FY18-25. Avadh portfolio also contributed, growing at a 6.5% CAGR post FY19 acquisition.

Looking ahead, PSL is expected to accelerate its revenue growth to an 11.4% CAGR over FY25-28 driven primarily by continued expansion in high-demand snack pellets, alongside increased traction in the *Chulbule* and Namkeen categories. The company plans to deepen penetration in underperforming eastern and southern markets and expand presence in alternate distribution channels.

Exhibit 182: Revenue CAGR estimated at 11.4% over FY25-28 (INR m)

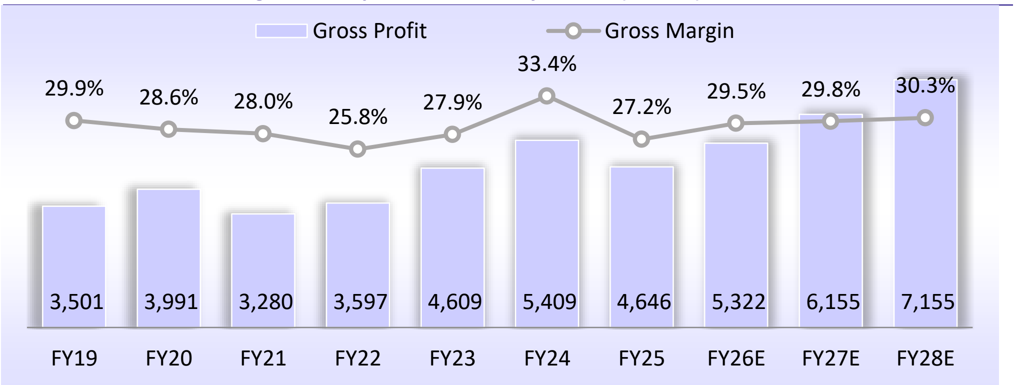


Source: Company, MOFSL

Gross margin estimated to improve to 30%+ levels

Gross margin faced pressure during FY21-23 due to inflationary raw material costs, especially palm oil, compounded by global supply chain disruptions. Gross margin rebounded to 33.4% in FY24 but contracted again in FY25 due to raw material inflation. To mitigate volatility, PSL secures forward contracts for key raw materials to lock in margins and is exploring backward integration for snack pellets . Going forward, gross margin is likely to improve ~310bp to 30.3% by FY28. This improvement will be driven by premiumization, a higher proportion of larger pack sales, and reduced distributor commissions.

Exhibit 183: Gross margins to improve to 30% by FY28E (INR m)

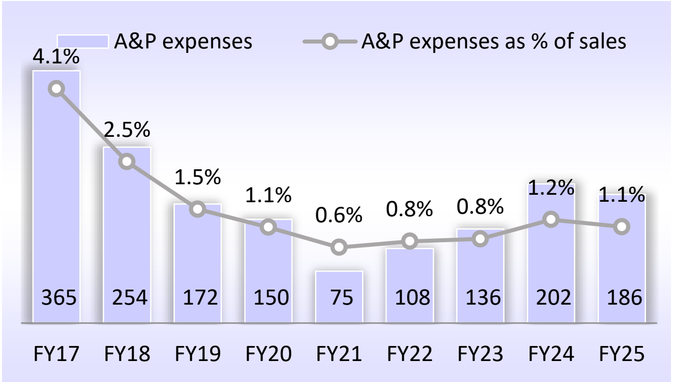


Source: Company, MOFSL

Advertisement expenses: Driving cartoon-based advertising

Over the past five years, PSL has kept advertising expenses relatively low, averaging ~1% of sales. During Salman Khan's tenure as brand ambassador in FY17, advertising expenses peaked at ~4.1%, which declined to 1.1% by FY20. Currently, the company focuses on regional marketing initiatives, including collaborations with local actors like Dilip Joshi for the Avadh brand and cartoon-based campaigns targeting children, to strengthen brand engagement costs effectively. Going forward, advertisement costs are expected to remain at similar levels, with an incremental spend of about INR250m annually over FY25.

Exhibit 184: Stable advt. expenses as % of sales (INR m)



Source: Company, MOFSL

Exhibit 185: A&P spending as a % of revenue for listed peers

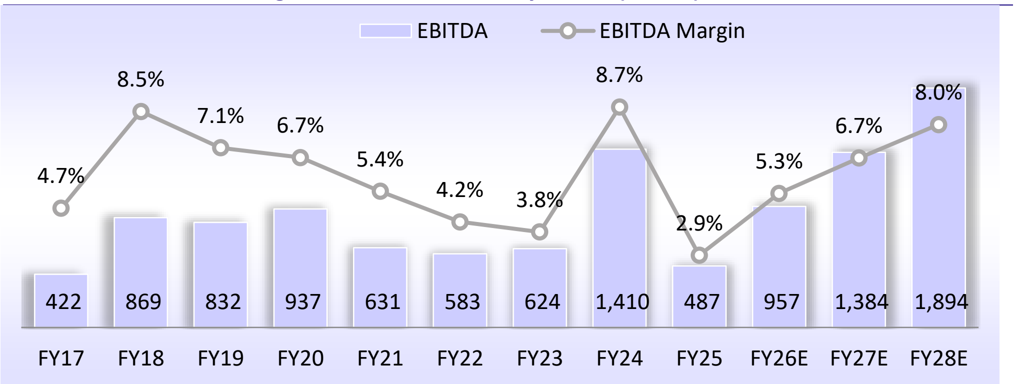
%	FY21	FY22	FY23	FY24	FY25
BFL	2.8	2.4	2.2	2.3	2.3
GSL	0.0	0.1	0.3	0.6	1.1
PSL	0.6	0.8	0.8	1.2	1.1

Source: Company, MOFSL

EBITDA margin estimated to improve 517bp

PSL's EBITDA margins have historically experienced volatility due to fluctuating raw material prices and changing market conditions. In FY25, its EBITDA margin contracted sharply amid rising raw material costs, impacting gross margins and overall profitability. Going forward, management anticipates a significant improvement in EBITDA margin, which is projected to improve by ~517bp to reach 8% by FY28. This growth will be driven by a recovery in gross margin, reduced distribution margin, cost-optimization initiatives such as streamlining the supply chain through load and route optimization and restructuring the manufacturing network to enhance operational efficiency.

Exhibit 186: EBITDA Margins to recover to 8% by FY28E (INR m)

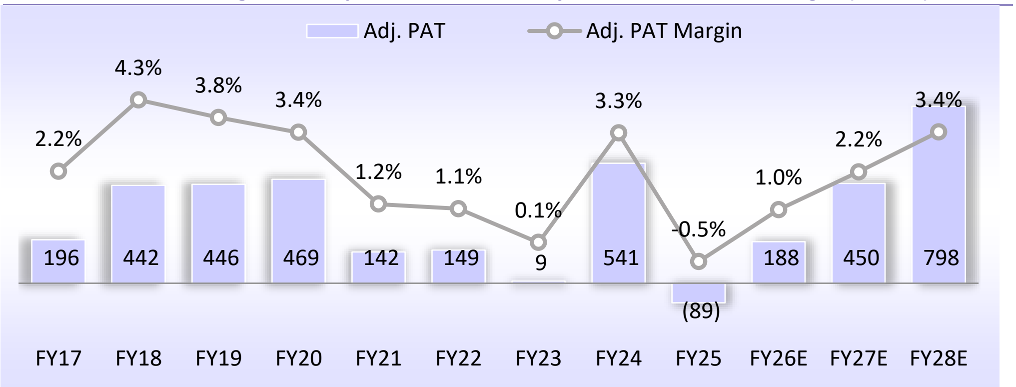


Source: Company, MOFSL

PAT margin estimated to improve in line with Gross/EBITDA margins

PSL's PAT margin was hit by a sharp increase in depreciation expenses in FY23 and a significant rise in finance costs in FY25, compounded by a contraction in gross margin. Moving forward, its PAT margin is projected to improve from the negative territory, supported by revenue growth and EBITDA margin expansion, which will be driven by the company's various strategic initiatives. PSL's PAT margin is projected to reach ~3.4% by FY28.

Exhibit 187: PAT Margins to improve with recovery in Gross/EBITDA Margin (INR m)

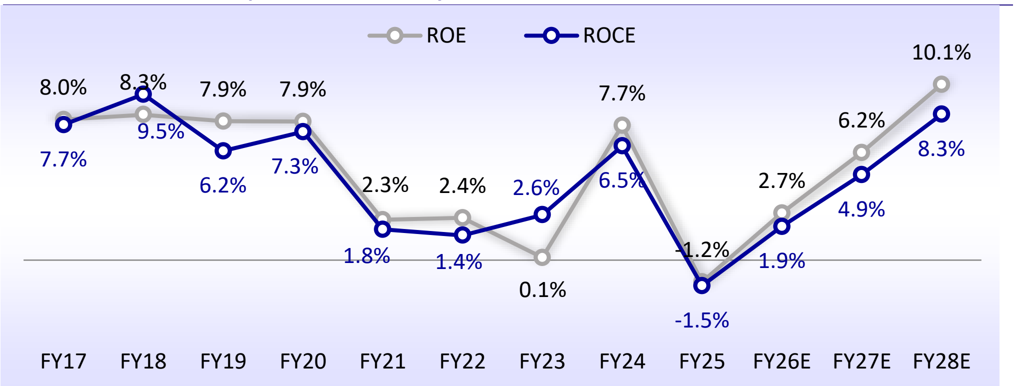


Source: Company, MOFSL

Return ratios to improve

PSL's return ratios have been volatile, primarily reflecting fluctuations in margins. Going forward, both return on equity (ROE) and return on capital employed (ROCE) are expected to improve. This improvement will be driven by moderation in raw material costs, ongoing cost optimization initiatives, and enhanced operational efficiencies from the restructured manufacturing network. These factors will lead to better asset utilization and overall profitability, strengthening returns on both capital employed and equity.

Exhibit 188: RoE to improve to 10.1% by FY28E

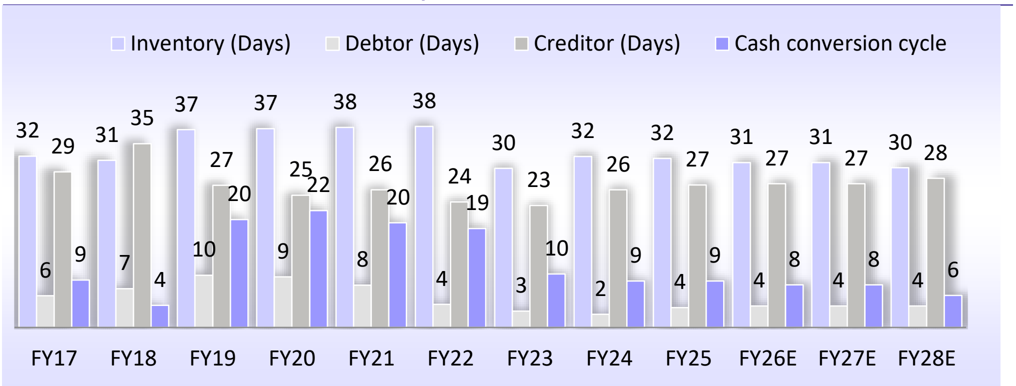


Source: Company, MOFSL

Robust cash conversion cycle to be maintained

PSL has a strong cash conversion cycle of ~9-10 days, reflecting tight control over working capital. Inventory days stand at 32, and payable days are about 27, ensuring efficient cash management. Receivables days stand at 4, reflecting efficiency in collections by the company. The company's limited reliance on modern retail helps maintain an optimal working capital requirement, which supports healthy cash flow and liquidity. Going forward, we expect PSL to maintain its cash conversion cycle, backed by an efficient supply chain.

Exhibit 189: Robust cash conversion cycle

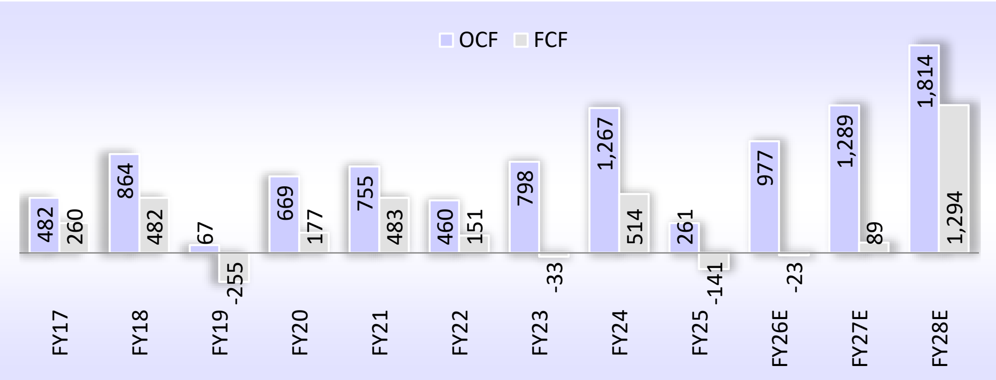


Source: Company, MOFSL

FCF to gradually improve with stable capex

PSL cash flows have been volatile in the past, reflecting working capital swings. Going forward, we expect PSL FCFs to improve backed by stable working capital and capex expectations after the restructuring of the manufacturing locations.

Exhibit 190: OCF/FCF to improve (INR m)



Source: Company, MOFSL

Valuation and view: Initiate coverage with a BUY rating

- PSL is well-positioned to capitalize on market growth through its broad portfolio of over 150 SKUs spanning popular and health-focused snack categories, backed by strong brands and top-selling products.
- The company's strategically located owned and third-party manufacturing facilities support a robust presence in West and North India. Planned consolidation and automation of plants are expected to enhance capacity utilization and improve margins by FY28.
- **We value the stock using a discounted cash flow (DCF) methodology, leading to a TP of INR1,500. We initiate coverage on the stock with a BUY rating,** reflecting our confidence in PSL's growth potential and operational improvements.

Exhibit 191: Relative valuation comparison of coverage companies

Companies	Mcap (INR b)	CMP (INR)	TP (INR)	Upside (%)	Rating	EPS (INR)			P/E (X)			EV/EBITDA (X)			RoE (%)		
						FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Bikaji Foods	184	736	900	22%	BUY	9.3	12.2	16.2	78.9	60.2	45.4	42.4	35.3	31.7	15.6	17.5	19.9
Gopal Snacks	40	319	400	25%	BUY	4.5	6.5	10.0	70.8	48.8	31.9	36.9	27.9	20.0	13.1	16.9	22.3
Prataap Snacks	**29**	**1201**	**1500**	**25%**	**BUY**	**7.9**	**18.8**	**33.4**	**152.6**	**63.7**	**35.9**	**30.8**	**21.3**	**15.0**	**2.7**	**6.2**	**10.1**
Mrs Bectors	76	248	280	13%	NEUTRAL	5.0	6.5	8.2	49.9	38.0	30.2	27.4	22.4	18.7	12.5	14.8	16.5

Source: Company, Bloomberg, MOFSL

Exhibit 192: Projected free cash flow (INR m)

Particulars	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue	**18,038**	**20,650**	**23,610**	**25,989**	**28,435**	**31,004**	**33,629**	**36,029**	**38,602**	**41,361**
Growth % YoY	6%	14%	14%	10%	9%	9%	8%	7%	7%	7%
EBITDA	**957**	**1,384**	**1,894**	**2,241**	**2,537**	**2,798**	**3,068**	**3,323**	**3,561**	**3,815**
EBITDA %	5.3%	6.7%	8.0%	8.6%	8.9%	9.0%	9.1%	9.2%	9.2%	9.2%
Less: Capex	(1,000)	(1,200)	(520)	(620)	(620)	(620)	(620)	(620)	(620)	(620)
Less: Change in Working Capital	(79)	(55)	(185)	(72)	(78)	(164)	(186)	(200)	(131)	(148)
Less: Taxation	(45)	(139)	(253)	(338)	(400)	(458)	(518)	(578)	(634)	(695)
Free Cash Flows	**-167**	**-9**	**936**	**1,211**	**1,439**	**1,556**	**1,744**	**1,925**	**2,176**	**2,352**

Source: MOFSL

Exhibit 193: DCF summary (INR m)

WACC	**9.5%**
NPV	14,955
TVGR	5.00%
NPV of TV	21,486
Enterprise Value	36,441
Cash and Cash Equivalents	141
Debt	-764
Equity Value	35,817
No of Equity Shares (m)	24
Value Per Share (INR)	1,500
CMP (INR)	1,201
Upside	25%

Source: MOFSL

Bull and Bear cases

Bull case

- ☑ In our bull case scenario, we factor in a 13% revenue CAGR over FY25-28E, driven by a higher volume growth.
- ☑ Further, with higher volumes, we expect operating leverage to improve EBITDA margin to 8.1% by FY28 (from 2.9% in FY25).

Bear case

- ☑ In our bear case scenario, we factor in a 9% revenue CAGR over FY25-28E, driven by a lower volume growth.
- ☑ Further, with higher volumes, we expect operating leverage to improve EBITDA margin to 7.9% by FY28 (from 2.9% in FY25).

Exhibit 194: Scenario analysis

Particulars	Bear case			Base Case			Bull case		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Revenue (INR m)	17,868	19,919	22,176	18,038	20,650	23,610	18,209	21,210	24,674
EBITDA (INR m)	930	1,315	1,757	957	1,384	1,894	984	1,443	2,004
APAT (INR m)	161	381	661	188	450	798	215	509	908
Change YoY (%)	-281.6	136.6	73.4	-311.9	139.4	77.3	-342.7	136.4	78.5
Revenue Growth (%)	4.6	11.5	11.3	5.6	14.5	14.3	6.6	16.5	16.3
EBITDA Margin (%)	5.2	6.6	7.9	5.3	6.7	8.0	5.4	6.8	8.1
RoE (%)	2.3	5.2	8.4	2.6	6.2	10.1	3.0	6.9	11.3
EPS (INR)	6.7	16.0	27.7	7.9	18.8	33.4	9.0	21.3	38.0
Target Equity Value (INR m)	**23,863**			**35,817**			**47,749**		
Outstanding Shares (Nos m)	24			24			24		
Target price (INR)	**1,000**			**1,500**			**2,000**		
CMP (INR)	1,201			1,201			1,201		
Upside/Downside	**-17%**			**25%**			**67%**		

Source: MOFSL

Key Risks

Raw material cost pressure

PSL is highly dependent on key raw materials such as potatoes, palm oil, and packaging laminates. Price volatility driven by inflation and changes in import duties can directly impact gross margins and profitability.

Supply chain disruptions

Supply-chain disruptions and geopolitical issues, especially in North and West India (~69% of revenues), could impact input availability and operational efficiency.

Competition risk

Fierce competition from national and regional brands, especially in the highly contested Western snacks segment, pressures pricing and market share.

Impulse heavy portfolio risk

Heavy reliance on impulse, low-ticket packs makes volumes and margins sensitive to consumer sentiment and footfall swings.

Company background

PSL, founded in 2003 and based in Indore, is a leading Indian snack company with a diverse portfolio of over 150 SKUs across potato chips, extruded snacks, namkeen, and sweets under brands like Yellow Diamond, Avadh, and 7 Diamonds. It operates 16 manufacturing facilities seven owned and nine third-party across India and has a broad distribution network reaching 2.5m outlets in 27 states and 4 Union Territories. The company has expanded into modern trade, quick commerce, and exports, supported by a strong regional presence and strategic acquisitions like Avadh. PSL has grown rapidly through innovation, operational expansion, and targeted marketing, positioning itself as a growing leader in the western snacks market.

Current development: Recent shareholding changes

In Sep'24, Authum Investment & Infrastructure and investor Mahi Madhusudan Kela acquired a 46.87% controlling stake in PSL in a deal worth around INR8.47b. They purchased ~10.2m equity shares at INR746 each from three private equity promoters: Peak XV Partners Growth Investments I (2.48%), Peak XV Partners Growth Investment Holdings II (34.67%), and Sequoia Capital GFIV Mauritius Investments (9.72%).

This acquisition triggered a mandatory open offer to acquire an additional 26.01% stake from public shareholders at INR864 per share, amounting to INR5.44b. The Competition Commission of India (CCI) approved the transaction on 31st Dec'24. The new investors now hold 72.89% of PSL's voting share capital.

Management Team

Exhibit 195: Senior Management Team

Leader	Role	Experience
Mr. Arvind Mehta	Promoter, Chairman and Executive Director	❖ 13+ years of experince in the snack food and financing businesses, with overall 29 years of experience in the real estate sector. Associated with PSL since incorporation and has significantly contributed to the company's growth and diversification
Mr. Amit Kumat	Promoter, Managing Director and CEO	❖ 21+ years of experience in the snack food industry, and has been associated with PSL since its incorporation. He holds a master's degree in science from the University of Southwestern Louisiana
Mr. Apoorva Kumat	Promoter and Executive Director	❖ 22+ years of experience in the snack foods industry, and previously associated with Prakash Snacks, the group company, and Hello Agro Food Products
Mr. Sumit Sharma	CFO	❖ Qualified Chartered Accountant, with previous experience at Larsen and Toubro and Crompton Greaves. Recently, he received the Emerging CFO of the Year 2024-25 award in the Consumer Products category
Mrs. Venu Vashista	Independent Director	❖ 27 years of experience in supply chain strategies, cost management, and business management and was previously associated with Procter & Gamble, Kohler Corporation. She holds an MBA from IIM Lucknow.

Source: Company, MOFSL

ESG initiatives

Environment

- PSL sources 59% of its energy from solar, uses biomass for 45% of fuel needs, and recycles wastewater at its Indore facility.
- The company also undertakes community initiatives such as tree plantations in Satna and support for animal welfare in Indore.

Social

- PSL's social initiatives focus on healthcare, education, and sports.
- The company constructed ICU infrastructure and maternal nutrition, built classrooms, aided education for vulnerable children, and trained athletes.

Governance

- PSL maintains strong corporate governance through an experienced Board and dedicated committees overseeing audit, risk, CSR, and remuneration.
- A comprehensive code of conduct, supported by whistleblower and compliance policies, regular audits, and a focus on transparency and accountability, ensures ethical and sustainable operations.

SWOT analysis

Strength
- Well-diversified product portfolio covering catering to all age groups.
- Strategically located manufacturing facilities across India with strong pan-India presence supported by a robust distribution network enable cost-efficient distribution and wide regional coverage.

Weakness
- High dependence on volatile agricultural raw materials, combined with a sales mix skewed toward low-priced packs, exposes PSL to margin volatility, limits profitability expansion.
- Intense competition in the fragmented snack foods sector limits differentiation and exerts pricing pressure.

Opportunity
- Growing consumer demand for premium, healthy, and "better-for-you" snacks offers scope to expand and innovate the product portfolio.
- Increasing penetration into alternate trade channels like modern retail, Q-com, E-com provides significant new growth avenues.

Threats
- Volatility in the prices of raw materials like potatoes, palm oil, and pulses can adversely impact profitability.
- The company faces strong competition from national, regional players with entrenched market positions.

Financials and valuations

Standalone Income Statement (INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	**8,940**	**10,174**	**11,706**	**13,938**	**11,711**	**13,966**	**16,529**	**16,179**	**17,077**	**18,038**	**20,650**	**23,610**
Change (%)		*13.8*	*15.1*	*19.1*	*-16.0*	*19.3*	*18.4*	*-2.1*	*5.6*	*5.6*	*14.5*	*14.3*
Raw Materials	6,261	6,862	8,204	9,947	8,431	10,369	11,920	10,770	12,431	12,716	14,496	16,455
Gross Profit	**2,679**	**3,311**	**3,501**	**3,991**	**3,280**	**3,597**	**4,609**	**5,409**	**4,646**	**5,322**	**6,155**	**7,155**
Employee Cost	249	365	415	577	533	572	754	756	781	812	909	1,039
Other Expenses	2,009	2,077	2,254	2,477	2,116	2,442	3,231	3,243	3,378	3,554	3,862	4,221
Total Expenses	**8,518**	**9,304**	**10,874**	**13,001**	**11,080**	**13,383**	**15,905**	**14,769**	**16,590**	**17,082**	**19,266**	**21,715**
% of Net Sales	95.3	91.5	92.9	93.3	94.6	95.8	96.2	91.3	97.1	94.7	93.3	92.0
EBITDA	**422**	**869**	**832**	**937**	**631**	**583**	**624**	**1,410**	**487**	**957**	**1,384**	**1,894**
EBITDAM (%)	*4.7*	*8.5*	*7.1*	*6.7*	*5.4*	*4.2*	*3.8*	*8.7*	*2.9*	*5.3*	*6.7*	*8.0*
Depn. & Amortization	255	304	376	617	546	538	621	664	692	754	829	884
EBIT	**167**	**565**	**455**	**319**	**85**	**45**	**3**	**747**	**-205**	**203**	**555**	**1,011**
Net Interest	46	29	9	75	63	67	65	58	68	69	71	73
Other income	18	80	109	92	88	137	78	86	97	105	116	126
PBT Before EO Exp	**139**	**617**	**556**	**337**	**111**	**115**	**15**	**774**	**-176**	**239**	**600**	**1,064**
EO expense	10	0	0	0	0	-139	0	-10	-254	-8	0	0
PBT after EO	**149**	**617**	**556**	**337**	**111**	**-24**	**15**	**765**	**-431**	**231**	**600**	**1,064**
Tax	-57	175	110	-133	-31	-53	-188	233	-88	51	150	266
Rate (%)	-38.5	28.4	19.8	-39.4	-27.9	221.8	-1,274.8	30.5	20.4	22.0	25.0	25.0
Reported PAT	**206**	**442**	**446**	**469**	**142**	**29**	**203**	**531**	**-343**	**180**	**450**	**798**
Change (%)		115	1	5	-70	-79	597	162	-164	-153	150	77
Adjusted PAT	**196**	**442**	**446**	**469**	**142**	**149**	**9**	**541**	**-89**	**188**	**450**	**798**
Change (%)		*125.1*	*1.0*	*5.2*	*-69.8*	*5.6*	*-93.9*	*5,786.2*	*-116.4*	*-311.9*	*139.4*	*77.3*

Standalone Balance Sheet (INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	19	117	117	117	117	117	117	119	119	119	119	119
Reserves	2,422	5,188	5,495	5,801	6,018	6,123	6,645	7,168	6,783	6,963	7,413	8,211
Net Worth	**2,441**	**5,305**	**5,612**	**5,919**	**6,135**	**6,240**	**6,762**	**7,288**	**6,903**	**7,083**	**7,533**	**8,331**
Minority Interest	0	0	0	0	0	0	0	0	0	0	0	0
Total Loans	538	75	176	733	573	799	598	811	764	864	914	914
Deferred Tax Liability	-86	-48	-71	-72	-121	256	80	175	85	85	85	85
Capital Employed	**2,892**	**5,332**	**5,718**	**6,580**	**6,587**	**7,295**	**7,441**	**8,273**	**7,751**	**8,032**	**8,532**	**9,329**
Gross Block	2,433	2,801	3,530	4,689	4,670	7,401	8,180	9,334	9,166	10,166	11,366	11,886
Less: Accum. Deprn.	255	546	867	1,277	1,601	2,362	2,835	3,265	3,865	4,618	5,447	6,331
Net Fixed Assets	**2,178**	**2,255**	**2,662**	**3,412**	**3,069**	**5,039**	**5,345**	**6,069**	**5,302**	**5,548**	**5,919**	**5,555**
Capital WIP	18	24	41	72	208	139	151	6	132	132	132	132
Other Non-Current Assets	41	337	2,066	2,066	2,066	461	461	461	461	461	461	461
Curr. Assets	**1,593**	**4,021**	**2,721**	**2,961**	**2,888**	**3,432**	**3,160**	**3,579**	**3,665**	**3,756**	**4,149**	**5,671**
Inventory	789	869	1,112	1,255	1,206	1,446	1,353	1,424	1,487	1,451	1,636	1,785
Account Receivables	145	202	294	318	256	166	140	109	174	187	211	238
Cash and Cash Equivalents	94	**2,129**	**730**	**453**	**251**	**321**	**290**	**306**	**141**	**68**	**46**	**1,168**
Other Current Assets	566	821	585	935	1,176	1,499	1,377	1,741	1,864	2,050	2,255	2,481
Curr. Liability & Prov.	**939**	**1,307**	**1,773**	**1,930**	**1,644**	**1,775**	**1,676**	**1,842**	**1,808**	**1,865**	**2,129**	**2,489**
Account Payables	716	956	800	835	830	901	1,038	1,146	1,251	1,264	1,425	1,666
Provisions & Others	223	351	973	1,096	814	874	637	697	557	601	704	824
Net Curr. Assets	**655**	**2,715**	**948**	**1,031**	**1,244**	**1,657**	**1,484**	**1,737**	**1,857**	**1,891**	**2,020**	**3,181**
Appl. of Funds	**2,892**	**5,332**	**5,717**	**6,580**	**6,587**	**7,296**	**7,441**	**8,273**	**7,751**	**8,031**	**8,531**	**9,329**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)												
Adjusted EPS	10.3	18.8	19.0	20.0	6.0	6.4	0.4	22.7	-3.7	7.9	18.8	33.4
Growth (%)			**1.0**	**5.2**	**-69.8**	**5.6**	**-93.9**	**5,682.7**	**-116.4**	**-311.9**	**139.4**	**77.3**
Cash EPS	23.6	31.8	35.1	46.3	29.3	29.3	26.9	50.4	25.3	39.4	53.6	70.4
BV/Share	127.8	226.1	239.2	252.3	261.5	266.0	288.3	305.2	289.0	296.6	315.4	348.9
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)												
P/E	116.9	63.8	63.2	60.0	199.0	188.5	3,065.2	53.0	-323.4	152.6	63.7	35.9
Cash P/E	50.9	37.8	34.3	25.9	41.0	41.0	44.7	23.8	47.5	30.4	22.4	17.1
P/BV	9.4	5.3	5.0	4.8	4.6	4.5	4.2	3.9	4.2	4.0	3.8	3.4
EV/EBITDA	55.5	30.0	33.2	30.4	45.2	49.1	45.7	20.7	60.2	30.8	21.3	15.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return Ratios (%)												
EBITDA Margin (%)	4.7	8.5	7.1	6.7	5.4	4.2	3.8	8.7	2.9	5.3	6.7	8.0
Net Profit Margin (%)	2.2	4.3	3.8	3.4	1.2	1.1	0.1	3.3	-0.5	1.0	2.2	3.4
RoE	8.0	8.3	7.9	7.9	2.3	2.4	0.1	7.7	-1.2	2.7	6.2	10.1
RoCE (post-tax)	7.7	9.5	6.2	7.3	1.8	1.4	2.6	6.5	-1.5	1.9	4.9	8.3
RoIC (post-tax)	8.4	14.3	12.7	11.2	2.7	-1.1	0.6	7.4	-2.2	2.2	5.5	9.8
Working Capital Ratios												
Fixed Asset Turnover (x)	4.1	4.5	4.4	4.1	3.8	2.8	3.1	2.7	3.2	3.3	3.5	4.3
Asset Turnover (x)	3.1	1.9	2.0	2.1	1.8	1.9	2.2	2.0	2.2	2.2	2.4	2.5
Inventory (Days)	32	31	35	33	38	38	30	32	32	29	29	28
Debtor (Days)	6	7	9	8	8	4	3	2	4	4	4	4
Payable (Days)	29	34	25	22	26	24	23	26	27	26	25	26

Standalone Cash flow statement **(INR m)**

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PBT	**149**	**617**	**556**	**337**	**111**	**-24**	**15**	**765**	**-431**	**231**	**600**	**1,064**
WC	84	79	-562	-179	150	-20	225	-36	-151	79	55	185
Others	296	313	226	560	524	554	616	667	880	718	784	831
Direct taxes (net)	-46	-145	-153	-49	-30	-50	-58	-129	-38	-51	-150	-266
CF from Op. Activity	**482**	**864**	**67**	**669**	**755**	**460**	**798**	**1,267**	**261**	**977**	**1,289**	**1,814**
Capex	-223	-382	-322	-492	-273	-309	-831	-753	-402	-1,000	-1,200	-520
FCFF	**260**	**482**	**-255**	**177**	**483**	**151**	**-33**	**514**	**-141**	**-23**	**89**	**1,294**
Interest income	0	0	0	0	0	0	0	0	0	0	0	0
Others	-288	-1,927	-198	128	-461	-54	579	-313	104	-81	-89	-99
CF from Inv. Activity	**-511**	**-2,308**	**-520**	**-365**	**-734**	**-363**	**-252**	**-1,065**	**-298**	**-1,081**	**-1,289**	**-619**
Share capital												
Borrowings	209	2,363	100	30	100	780	30	200	217	100	50	0
Finance cost	-44	0	0	-6	-21	-16	-15	-7	-26	-69	-71	-73
Dividend	0	0	-28	-28	-23	-14	-12	-24	-48	0	0	0
Others	-102	-468	51	-273	-209	-776	-520	-292	-293	0	0	0
CF from Fin. Activity	**63**	**1,894**	**123**	**-277**	**-153**	**-25**	**-517**	**-122**	**-149**	**31**	**-21**	**-73**
(Inc)/Dec in Cash	**34**	**450**	**-330**	**28**	**-132**	**72**	**29**	**79**	**-187**	**-73**	**-21**	**1,121**
Opening balance	32	66	529	199	227	118	190	219	298	112	39	17
Closing balance	**66**	**516**	**199**	**227**	**95**	**190**	**219**	**298**	**112**	**39**	**17**	**1,139**

E: MOFSL Estimates

Mrs Bectors Food Specialities

BSE Sensex	S&P CNX
85,063	26,179

CMP: INR248 **TP: INR280 (+13%)** **Neutral**

Focused on premiumization though valuation pricey

- **Mrs. Bectors Food Specialities (MBFSL) offers a diversified packaged food portfolio dominated by biscuits (~62%) and bakery (~36%), set to benefit from India's packaged food growth (~11% CAGR) driven by premiumization and health-focused innovation.**
- **The *Cremica* brand is the leader in mid-to-premium biscuits in North India, while *English Oven* has strong growth in metros and Tier 2/3 cities with differentiated, high-margin bakery products. MBFSL's premium products currently contribute ~40-50% of sales and are likely to exceed 50% by FY28E.**
- **The company has a strong pan-India distribution network reaching 317k outlets, with a growing modern trade presence supporting market penetration. Exports account for ~36% of sales to 70+ countries, balancing branded and private labels with in-house automation, ensuring quality and scale.**
- **We model a revenue, EBITDA, and PAT CAGR of 13%, 17%, and 21%, respectively, over FY25-28, fueled by growth in exports and the bakery portfolio.**
- **We initiate coverage on the stock with a Neutral rating and a DCF based TP of INR280 (implied P/E of 34x on FY28E EV/EBITDA). A 30% valuation discount is applied relative to Britannia due to MBFSL's elevated export exposure (35%+) and sizable B2B portfolio (~30%), which pose potential risks.**

Stock Info

Bloomberg	BECTORS IN
Equity Shares (m)	61
M.Cap.(INRb)/(USDb)	74.8 / 0.8
52-Week Range (INR)	355 / 224
1, 6, 12 Rel. Per (%)	-5/-13/-34
12M Avg Val (INR M)	159
Free float (%)	51.0

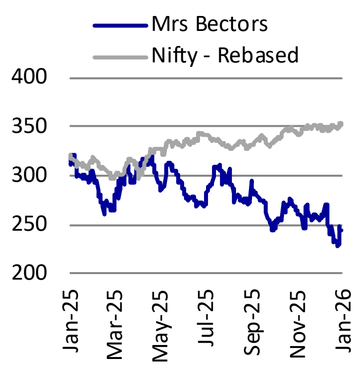
Financial Snapshot (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	20.9	23.8	27.3
EBITDA	2.7	3.4	4.0
Adj. PAT	1.5	2.0	2.5
EBITDA (%)	13.1	14.1	14.6
EPS (INR)	5.0	6.5	8.2
EPS Gr. (%)	6.7	31.1	25.8
BV/Sh. (INR)	41.7	46.6	52.7
Ratios			
Net D/E	-0.1	-0.1	-0.1
RoE (%)	12.5	14.8	16.5
RoCE (%)	9.2	10.7	11.8
Payout (%)	25.0	25.0	25.0
Valuations			
P/E (x)	49.9	38.0	30.2
P/B (x)	5.9	5.3	4.7
EV/EBITDA (x)	27.4	22.4	18.7
Div. Yield (%)	0.5	0.7	0.8

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	49.0	49.0	49.0
DII	22.1	20.1	21.0
FII	14.4	15.8	13.1
Others	14.5	15.1	16.9

Stock Performance (1-year)



Delivering an ideal blend of biscuits and bakery

MBFSL holds a diversified packaged foods portfolio with biscuits (~62% of sales) and bakery (~36%) as the core segments. Its *Cremica* brand leads the mid-to-premium biscuit segment in North India, supported by the new plant at Dhar, Madhya Pradesh, which is expected to improve cost efficiency. The domestic biscuit portfolio is projected to grow at ~6.6% CAGR over the next three years, driven by premiumization and expanding reach. *English Oven* brand, accounting for 25% of sales, is the second-largest premium brand, scaling rapidly in metros and Tier 2/3 cities at an expected 18% CAGR. The export business, contributing ~36% of sales, experienced a revenue CAGR of 32% over FY20-25. We project a revenue CAGR of ~16% over FY25-28 for the export business. Overall, on a consolidated basis, we expect ~13% CAGR over FY25-28.

Driving premiumization through innovation

MBFSL is committed to driving premiumization through continuous innovation in its biscuit and bakery segments. Premium products currently constitute around 40-50% of sales and are expected to exceed 50% by FY28, mainly led by health-oriented offerings. The company's dedicated R&D team has introduced over 15 new products over the last four years, contributing ~3% of its revenue, thereby strengthening its niche portfolio, including cookies, creams, crackers, digestives, and multigrain breads. This focus on innovation and consistent quality supports sustainable margin growth and a rapidly expanding export business spanning more than 70 countries.

Focus on gaining market share via pan-India distribution, aided by A&P

MBFSL distributes its products across 24 states and 6 Union Territories through a widespread network of over 900 distributors, 400+ super stockists, and 5,000+ preferred outlets, reaching a total of 775k+ retail and 317k direct outlets, primarily concentrated in urban pockets (95% urban, 5% rural). Its bakery products have a presence in around 40k retail outlets via 600+ distributors. The company remains focused on expanding high-quality outlets and we expect it to reach ~1,000k outlets over the next 3–5 years. MBFSL spends about 1.5% of its revenue on advertising and promotions (A&P), featuring Bollywood star *Kareena Kapoor* as its brand ambassador, with plans to maintain similar spending levels going forward. Furthermore, the management allocates ~4–5% of sales toward below-the-line (BTL) marketing to strengthen product visibility in a highly competitive market.

Strategically located plants to cater to the pan-India scale-up

The company has strategically located manufacturing facilities in key regions to effectively cater to pan-India markets and optimize logistics costs (~10% of revenue in FY25). The company manufactures biscuits at Phillaur and Rajpura in Punjab and Tahilwal in Himachal Pradesh. Bakery production, including bread and buns, happens at Greater Noida (Uttar Pradesh), Khopoli (Maharashtra), and Bengaluru (Karnataka). In the last two years, MBFSL added four biscuits production lines in Rajpura, and a new greenfield facility at Dhar, Madhya Pradesh, is expected to be operational by FY26. The next major capital expenditure is planned around FY28.

Financial outlook

MBFSL is a leading player in India's premium biscuits market, with a strong track record of outpacing industry growth. We project a 13% revenue CAGR over FY25–28, supported by the domestic portfolio (64% sales) and the export portfolio (36%). Bakery (B2C) is the key growth driver domestically, expected to grow at ~21% CAGR, while biscuits are expected to grow at mid-single digits. Exports are modeled to grow at ~15% CAGR, despite near-term challenges in the US market due to higher tariffs. Overall, the company's revenue, EBITDA, and PAT are expected to clock a 13%, 17%, and 21% CAGR, respectively, over FY25-28.

Valuation & view: Initiate coverage with a Neutral rating

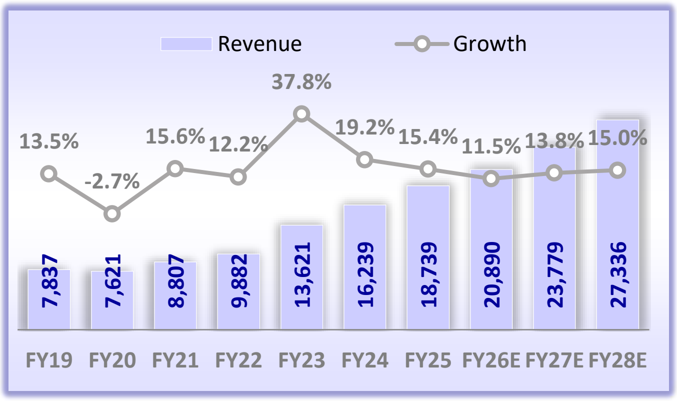
We initiate coverage on MBFSL with a Neutral rating and a DCF-based TP of INR280, valuing the stock at 34x FY28E P/E. A 30% discount is applied relative to Britannia due to MBFSL's higher exposure in exports (~35%+) and sizable B2B portfolio (~30%), which introduces elevated risks from dependence on export markets and wholesale channels. This valuation reflects both growth prospects and associated execution risks.

Key risks and concerns

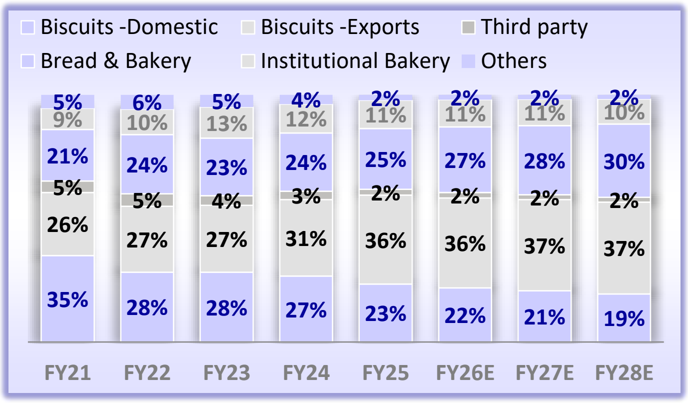
Key risks to our call would include: 1) distribution expansion and supply chain execution, 2) intense competition and brand identity confusion, 3) input cost volatility, and 4) global exposure, especially in the US.

STORY IN CHARTS

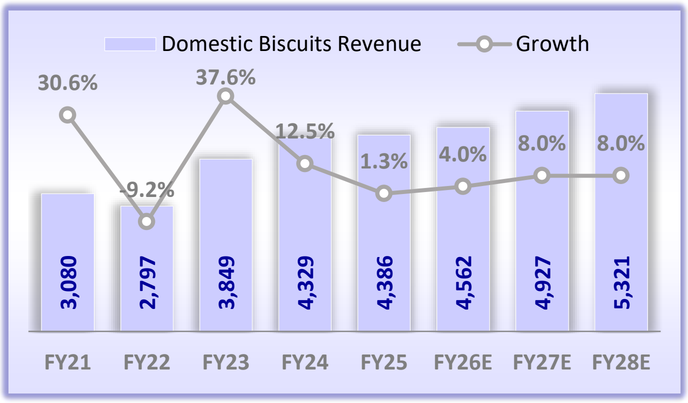
Revenue (INR m) and revenue growth (YoY, %)



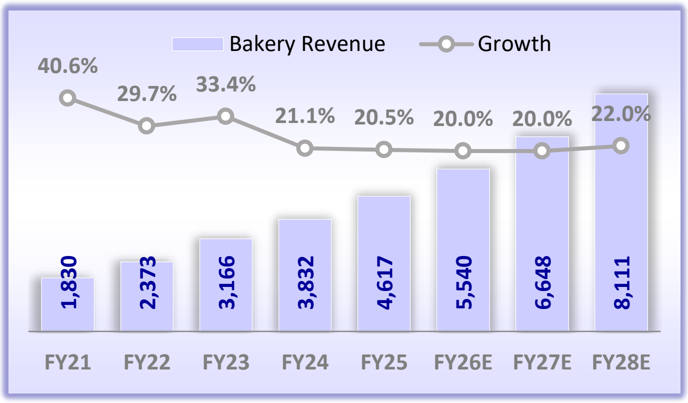
Category-wise revenue share (%)



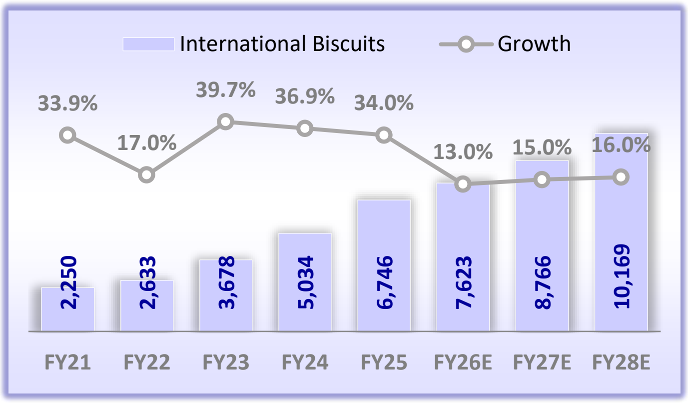
Domestic revenue of biscuits (INR m) and YoY growth (%)



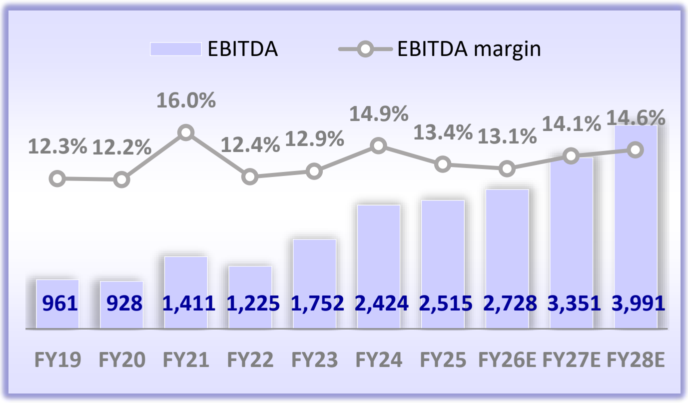
Bakery segment revenue (INR m) and YoY growth (%)



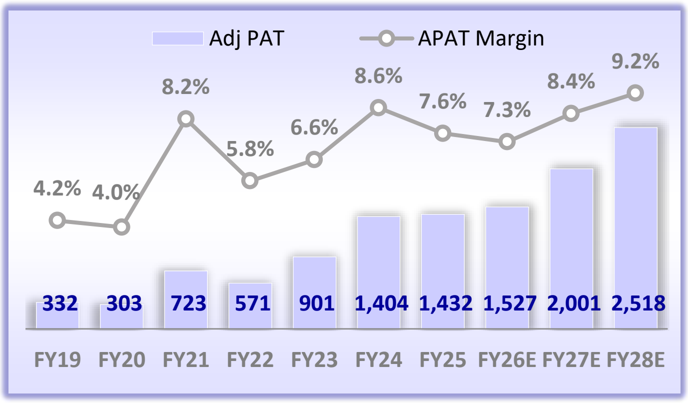
Export revenue of biscuits (INR m) and YoY growth (%)



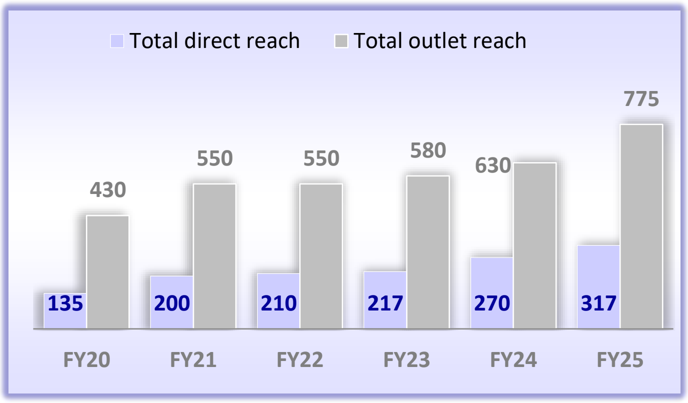
EBITDA (INR m) and EBITDA margin (%) trends



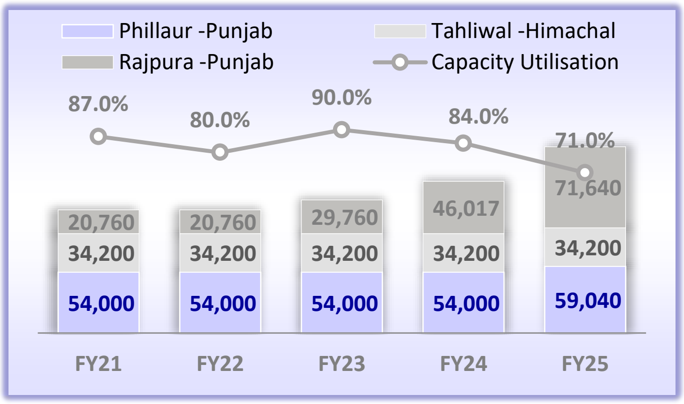
PAT (INR m) and YoY growth (%)



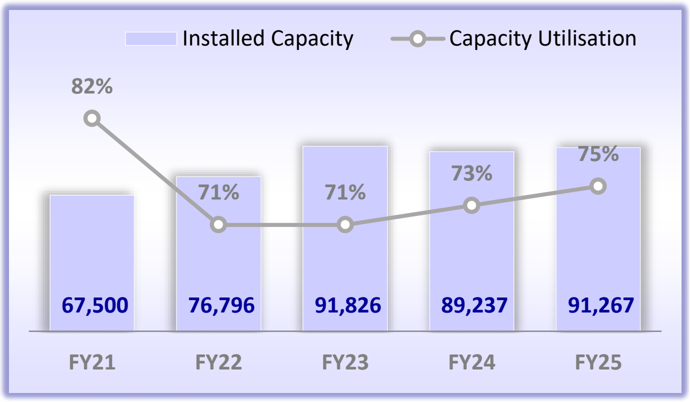
Distribution reach (‘000)



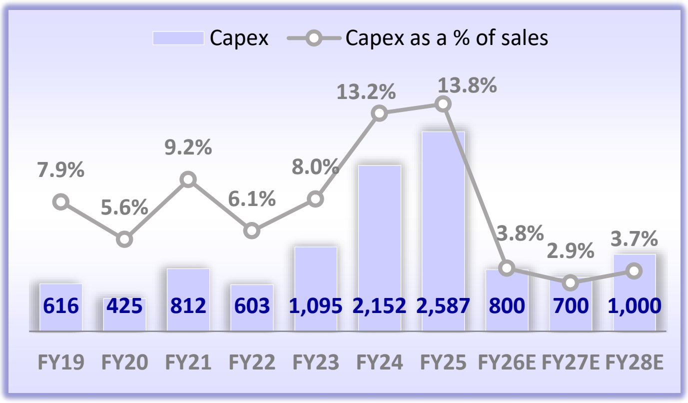
Plant-wise biscuits capacity (MT) and utilization



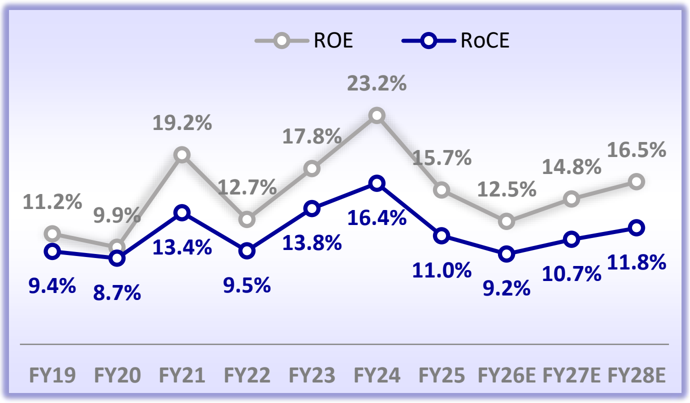
Bakery capacity (MT) and utilization



Capex (INR m) and capex as % of sales



Return ratios (%)



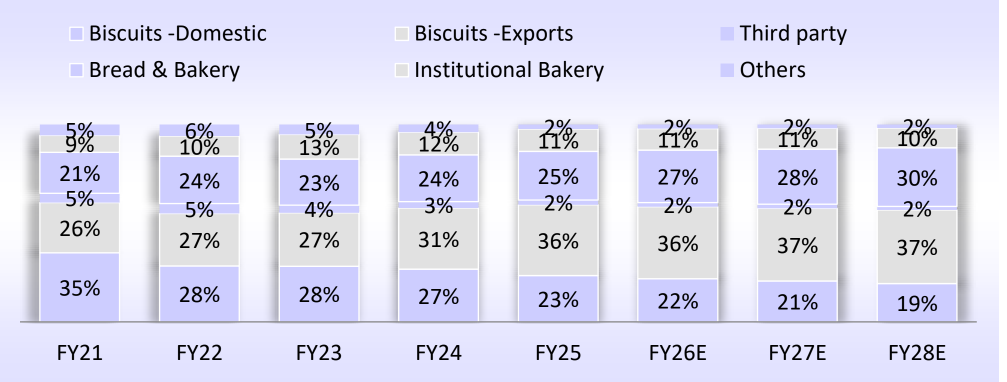
New product launches scale up

Delivering an ideal blend of biscuits and bakery

Diversified portfolio – focus on pan-India share

MBFSL has a strong business mix in the packaged food industry, outperforming the Home-and-Personal-Care (HPC) segment in FMCG. Biscuits contribute 62% of sales for MBFSL, including exports and third-party manufacturing, while bakery accounts for 36% of the topline. We note the packaged food industry is expected to grow at ~11% CAGR over the next 3-4 years, driven by shifting consumer lifestyles, increasing preference for branded foods, low per capita consumption, and growth in organized retail.

Exhibit 196: Cremica has a strong portfolio tilted towards the mid-to-premium range (%)



Source: Company, MOFSL

Domestic biscuits portfolio (~23% of sales)

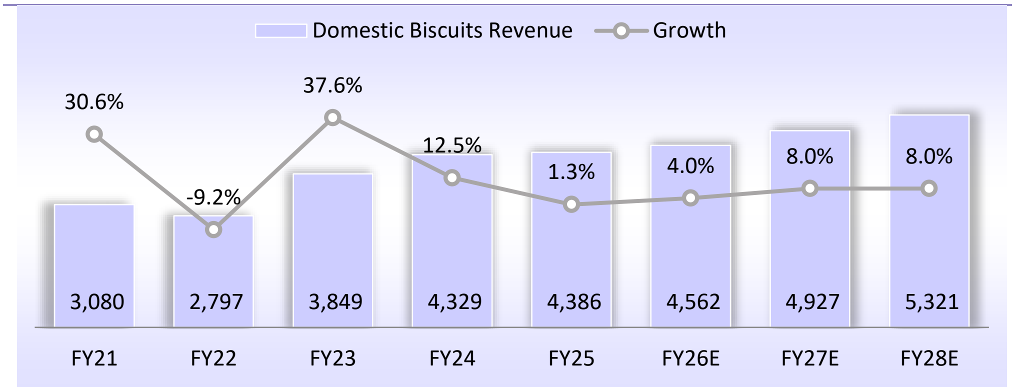
Domestic Biscuits ~23% of sales, is expected to grow ~6.6% CAGR over FY25-28.

MBFSL is a premium packaged foods company with a diversified product portfolio dominated by biscuits (~62%) and bakery (~36%). The Cremica brand leads mid-to-premium biscuits in North India, supported by a growing pan-India presence through a new plant in Madhya Pradesh.

MBFSL's domestic biscuit portfolio constitutes ~23% of sales. The flagship brand, Mrs. Bectors *Cremica*, is a leading non-glucose biscuit brand in North India, producing around 186,000 MT across two factories in Punjab, one in Himachal Pradesh and one in Madhya Pradesh, with a portfolio of 384 SKUs. It is a key player in the mid-premium biscuit segments in Punjab, Himachal Pradesh, and Jammu & Kashmir, holding a mid-single-digit market share in North India. The biscuits segment operated at an average capacity utilization of ~71% in FY25. The newly commissioned Madhya Pradesh plant adds 21,000MT of annual capacity, enabling distribution expansion into Maharashtra, Gujarat, Madhya Pradesh, Uttar Pradesh, and Karnataka.

The new greenfield facility at Dhar, Madhya Pradesh, is likely to notably enhance export capabilities due to its closer proximity to major ports (450 km from Dhar vs. 1,200 km from Rajpura). This strategic location will improve regional serviceability and reduce logistic costs. Additionally, the Dhar plant is designed to manufacture various types of biscuits, supporting the company's premiumization strategy and enabling a differentiated product portfolio to meet evolving consumer preferences.

Exhibit 197: Domestic biscuits revenue expected to post 6.6% CAGR over FY25-28 (INR m)



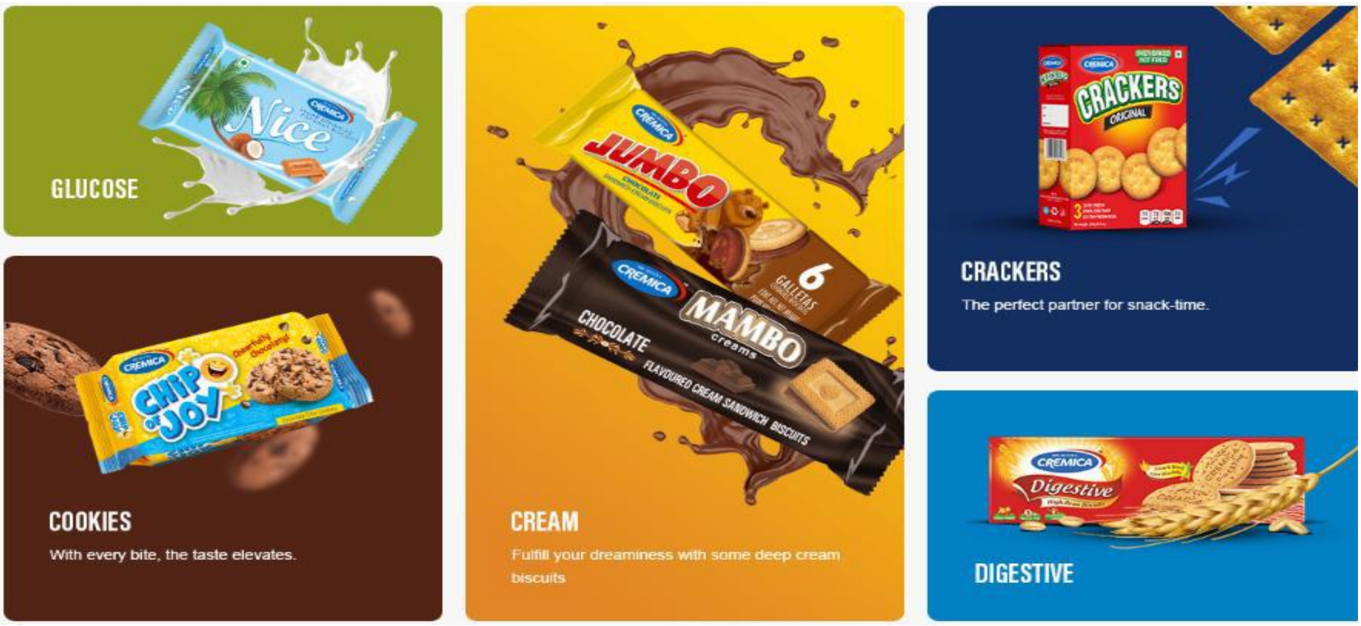
Source: Company, MOFSL

Cremica, historically commanding a strong brand recall in North India, aims to become a pan-India player and has recorded a 13.2% CAGR over the last five years, reaching ~INR4.4b in FY25. The domestic biscuits segment contributes ~23% to the company's total sales. However, in FY25, this segment faced challenges due to higher food inflation, reduced out-of-home consumption caused by extreme weather conditions (a heatwave followed by heavy rainfall), and a slight shift in consumer preference from biscuits to other snacking options.

MBFSL has 900+ distributors, reaching over 317k direct outlets and 775k retail outlets.

MBFSL has a strong presence across 24 states and 6 Union Territories with 400+ super-stockists and 900+ distributors, reaching over 317k direct outlets and ~775k retail outlets. *Cremica*'s biscuits portfolio, focused on the mid-to-premium segment, has been growing faster than the glucose segment. Coconut Cookies, Bourbon, Digestives, Magicreme, Cashew & Butter Cookies are the hero products in the biscuit category. The biscuits portfolio is expected to record a CAGR of ~6.6% over the next three years, supported by strong distribution expansion and a premiumization trend currently at 40%.

Exhibit 198: Cremica enjoys a healthy portfolio



Source: Company, MOFSL

Cremica has strong presence in North India with majorly Cracker, Cookies, Cream & Digestive segment.

Cremica – mainly focused on the premium range

Cremica remains the major biscuits focus brand of MBFSL, is increasingly catering to health-conscious consumers by launching products made from whole grains, oats, honey, nuts, seeds, fiber, and protein-rich ingredients. The company is responding to the rising demand for nutritious biscuits such as gluten-free, low-calorie, low-fat, and high-fiber options, avoiding artificial flavors, synthetic colors, and excess sugar or butter. Its product portfolio now includes Marie and digestive biscuits, Zero Maida Coconut Cookies, Cremica Shortbread, Mini Crackers, Golden Bytes, and Kalonji Crackers. Additionally, the company has begun manufacturing frozen products for hotels, restaurants, and cafes, although this segment currently contributes insignificantly to the overall revenue.

Exhibit 199: Presence across categories in biscuits (INR per kg)

	Glucose		Marie		Cracker		Cookies		Cream		Digestive	
Britannia	Tiger	87	Marie Gold	162	Nutri Choice	184	Good Day	266	Milk Bikis	170	Nutri Choice	360
Unibic					Potato Crackers	515	Different types of Cookies	380			Digestive	334
Bisk Farm					Cream Cracker	200	Heylo Cashew Cookies	200	Cheese Licks	234		
Parle	Parle-G	125	Parle Marie	160	Nutricrunch Lite Cracker	150	Happy Happy	167	Magix	173	Nutricrunch Digestive Cookies	270
ITC	Sunfeast Glucose +	140	Marie Light Active	178	Sunfeast All rounder	334	Dark Fantasy	743	Bounce	157	Farmlite 5 Seed Digestive	300
Patanjali	Doodh Biscuits	141	Marie	128	High Kick cracker	135	Nariyal	133	creamfeast	167	Digestive Cookies	178
MBFSL	Glucose	84	Marie Classic	220	Classic Cracker	220	Golden Bytes	280	Cream Biscuit	200	Cookies – Digestive	240
Surya			Marie Lite	217	Crack N Cheer	245	Butter Cookies	385	Club Cream	315	Digestive Biscuit	318
Anmol			Marie Plus	163	Cream Cracker	150	Butter Bake	154	Yummy	179		
Mondelez									Oreo	327		
Mc'Vities			Marie	257					Cookie Cream	268	Digestive High Fiber Biscuits	208

Source: Company, MOFSL

Domestic (B2C) bakery portfolio (~25% of sales)

MBFSL's Bread & Bakery segment (B2C) portfolio accounts for ~25% of sales, with the brand '*English Oven*' serving Northern India as well as Maharashtra, Bengaluru, and Rajasthan. *English Oven* is the second-largest premium bread brand in the Delhi NCR region, with a mid-single-digit market share in the branded bread segment. The company has a production capacity of 116,000 MT per annum for bread and buns and offers fresh, chilled, and frozen bakery products across India. Currently, capacity utilization in the bread and bakery industry is ~ 75%. MBFSL plans to commission a new plant in Kolkata to further expand its capacity. The distribution network includes over 600 distributors reaching 40,000+ retail outlets in key states.

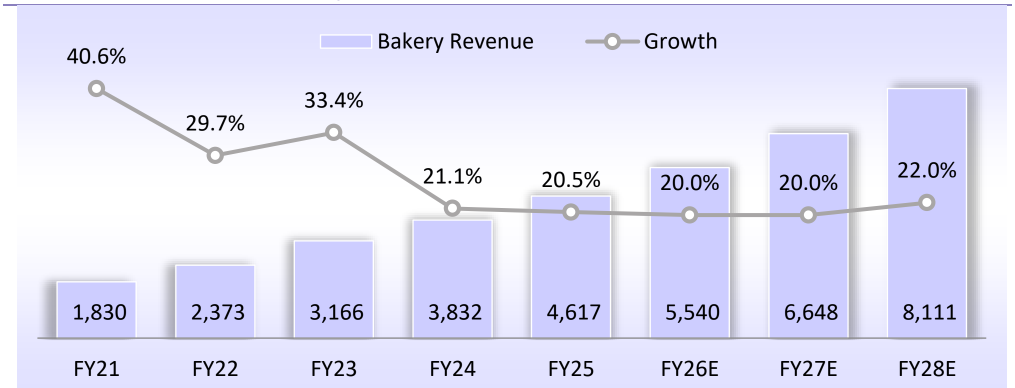
Exhibit 200: Bread portfolio straddles from white bread to value-added multi-grain bread, indicating strong premiumization

Source: Company, MOFSL

Domestic Bakery Portfolio is expected to grow ~21% CAGR over FY25-28.

The B2C segment has contributed ~25% to MBFSL's total sales and has outperformed the industry with strong growth during FY15-25. We expect this segment to continue reporting an 21% CAGR over FY25-28. In recent years, management has focused on adding niche product variants to cater to diverse retail customer preferences, with plans to further expand the distribution network, especially in Tier 1 and Tier 2 cities.

Exhibit 201: B2C revenue is expected to clock an 21% CAGR over FY25-28 (INR m)



Source: Company, MOFSL

English Oven – leading brand with pan-India aspiration

The '*English Oven*' brand, with a top line of ~INR4.6b, is a leading player in India's premium plus and branded bakery segment, with a pan-India presence. We note that, increasingly, bread has become a staple diet in urban markets, and progressively, such trends are adopted in Tier 2 and Tier 3 cities. Rising health awareness is driving consumer preference towards healthier and organic bread options. *English Oven* offers over 150 SKUs across breads, Western, and Indian bakery products, positioning itself as a distinct premium bakery brand.

Management emphasizes premiumization and product differentiation, catering to niche markets with artisanal and specialty breads like sourdough, pizza bases, and ciabatta. The brand also focuses on health and wellness with offerings such as Zero Maida, No Palm Oil, and No Artificial Preservatives. Further, the company management plans to expand into new categories, including *NaturBaked*, frozen buns, dessert jars, and brownies for the Indian retail market.

Exhibit 202: Presence across categories in bread (INR per kg)

	White bread	Brown bread	Wholewheat bread	Multigrain bread
Aabad	88	138	138	150
Britannia	125	122	138	144
Bonn	113	138	125	175
Modern	100	125	138	150
The Health Factory	-	-	186	213
English Oven	100	138	138	175

Source: Company, MOFSL

Driving premiumization through innovation

Portfolio premiumization and innovation are key growth drivers for MBFSL. Growing health awareness, innovation by organized players, easier product access, rapid urbanization, and rising disposable incomes have boosted India's biscuit consumption. Consumers are increasingly shifting towards premium products, with the non-glucose biscuit market growing faster than the glucose segment over the last five years a trend likely to continue. Biscuits priced below INR100/kg belong largely to the mass-end glucose category; the INR100-200/kg category represents mid-premium segments (Marie biscuits and crackers), while biscuits above INR250/kg fall under the premium and value-added segment, including cookies, digestives, and cream biscuits.

R&D team introduced 15+ new products in the last four years and NPD contributes ~3% of revenue.

MBFSL has positioned itself as a differentiated player through continuous innovation and a strong focus on consistent quality, considered a key competitive moat. The dedicated R&D team has introduced over 15 new products in the last four years, contributing around 3% of revenue and aligning with evolving consumer preferences. In the biscuit segment, recent launches include shortbread, Non-Stop mini crackers, peanut butter with cheese, and Teddies. In the bakery segment, under the Nature Baked brand, management has launched several SKUs and plans to add more SKUs under this clean-label brand.

The company plans to expand its non-glucose biscuits and premium bread and buns portfolio with niche products like cookies, creams, crackers, digestives, whole wheat, and multigrain breads to drive sustainable margin improvement. As of FY25, premium products contribute 40% and 50% of biscuits and bakery sales, respectively, with management targeting a combined premium portfolio exceeding 50% by FY28.

Exhibit 203: New products scale up driven by premiumization

Source: Company, MOFSL

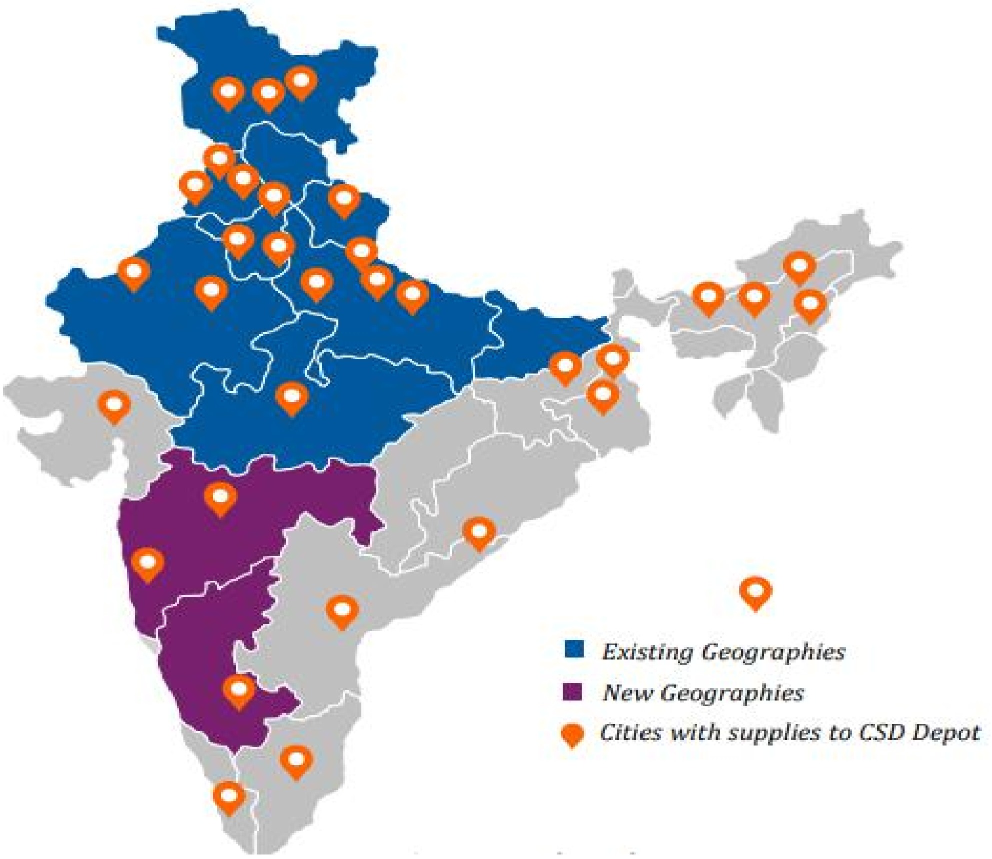
Focus on gaining market share via pan-India distribution, aided by A&P

Distribution is a critical moat for FMCG companies, and MBFSL has relatively lower direct and indirect distribution compared to peers such as Parle (~10m outlets) and Britannia (~6.3m outlets). MBFSL distributes biscuits across 24 states and 6 union territories through an extensive network of over 900 distributors, 400+ super stockists, and 5,000+ preferred outlets. It reaches 775k retail outlets and 317k direct outlets in India, with 95% urban and 5% rural coverage. In the bakery segment, the company reaches around 40k retail outlets via 600+ distributors. Starting its journey from North India, MBFSL has established a strong household brand with a mid-single-digit market share in the premium and mid-premium biscuits segments in the North Indian market. In the biscuits segment, management is targeting the Central region, supported by the Dhar plant, followed by expansion into the Western market. In the bakery segment, the Western region is the next focus area, followed by the Eastern market.

MBFSL has strong presence in Upper North with a low-teens market share.

Since the IPO, MBFSL's management has directed its focus on expanding its direct distribution reach from 570 to over 9,000 distributors, adding more than 300k outlets to its overall network. The company is aggressively growing its distribution in India's general trade segment, splitting focus between the upper and lower North markets. *Cremica* holds a strong presence in the upper North (Punjab, Uttarakhand, Himachal Pradesh, and Jammu & Kashmir) region with a low-teens market share, targeting moderate distribution expansion there.

Exhibit 204: Management aspires to become a pan-India player



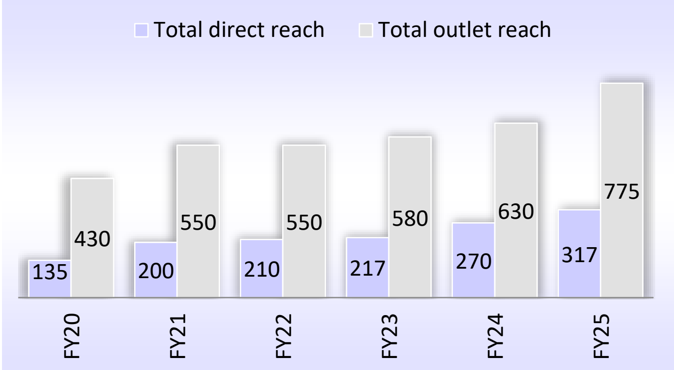
Source: Company, MOFSL

In the lower North (Uttar Pradesh, Rajasthan, Delhi, and Haryana), distribution has been expanded aggressively to capture a 1% market share. Key initiatives include increasing the field force from 300 to over 1,100 personnel, implementing a Distributor Management System (DMS) for sales and inventory tracking, growing 'Cremica-Preferred-Outlets' (CPO), and shifting frontline employee payroll from the company to distributors.

MBFSL remains focused on expanding high-quality outlets.

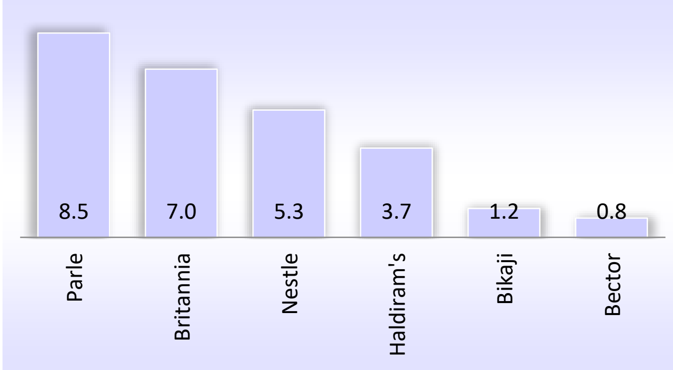
The company remains focused on expanding high-quality outlets and we expect it to reach ~1,000k outlets over the next 3–5 years. In The Modern Trade (MT) channel, which contributes around 10% of sales, MBFSL targets larger and mid-sized packs tailored to buying patterns and regional preferences. This segment has been growing the fastest and is helping the company expand its footprint. Additionally, management aims to increase the number of preferred outlets, which generate sales five times higher than regular outlets, by securing in-store space at eye level, thereby enhancing brand visibility to customers.

Exhibit 205: Aggressively expanding its direct reach ('000)



Source: Company, MOFSL

Exhibit 206: Expanding footprint: A key growth lever (m)



Source: Company, MOFSL

Pan-India marketing campaign to complement the distribution scale-up

MBFSL runs a pan-India marketing campaign with a strong brand ambassador, *Kareena Kapoor*, who resonates well with the brand's values of excellence and joy. While leading consumer brands in India typically spend around 7-9% of revenue on advertising and promotions, MBFSL spends ~1.5-2% of revenue. Furthermore, the management allocates ~4–5% of sales toward below-the-line (BTL) marketing to strengthen product visibility in a highly competitive market. MBFSL's A&P initiatives encompass TV, print, and digital media to build wide awareness and support a nationwide retail push. The management plans to maintain this spending level, leveraging national advertising to expand brand presence.

Exhibit 207: Pan-India brand ambassador

Source: Company, MOFSL

Strategically located plants to cater to the pan-India scale-up

MBFSL operates strategically located production facilities close to target markets to minimize freight and logistics costs, which account for around 10% of revenue as of FY25. Biscuits manufacturing is carried out in Phillaur and Rajpura (Punjab) and Tahliwal (Himachal Pradesh). Bakery production, including bread and buns, is done in Greater Noida (Uttar Pradesh), Khopoli (Maharashtra), and Bengaluru (Karnataka). Over the past two years, management has added four new biscuit manufacturing lines in Rajpura, Punjab. Additionally, a greenfield project at Dhar, Madhya Pradesh, is under development and expected to be completed by FY26.

On Biscuit/Bakery, Dhar/Khopoli Plant are expected to be completed by FY26.

On bakery expansion, the company has commissioned the plant at Bhiwadi, and new bakery units at Kolkata and the greenfield project at Khopoli are expected to be completed by FY26. Historically strong in North India, the company is expanding its presence in southern and western regions to leverage brand growth. This expansion strategy aims to better serve target markets in Maharashtra, Uttar Pradesh, and West Bengal, alongside existing markets. Management believes the next phase of capacity expansion in the bakery segment will be at the Bangalore plant by FY28, following the completion of the Khopoli and Kolkata facilities.

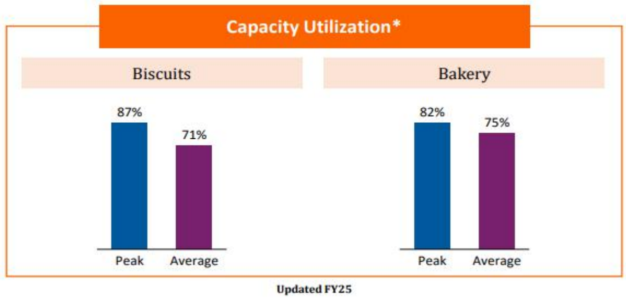
Exhibit 208: Installed capacities across India (MT)

Particular	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Biscuits								
Phillaur –Punjab	54,000	54,000	54,000	54,000	59,040	59,040	59,040	59,040
Rajpura –Punjab	20,760	20,760	29,760	46,017	71,640	71,640	71,640	71,640
Tahilwal –HP	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200
Dhar –MP	-	-	-	-	-	21,000	21,000	42,000
Total	1,08,960	1,08,960	1,17,960	1,34,217	1,64,880	1,85,880	1,85,880	2,06,880
Utilization -%	87.0%	80.0%	90.0%	84.0%	71.0%	70.0%	80.0%	81.0%
Bakery								
Total	67,500	76,796	91,826	89,237	91,267	1,16,008	1,16,008	1,44,618
Utilization -%	82.0%	71.0%	71.0%	73.0%	75.0%	72.0%	83.0%	82.0%

Source: Company, MOFSL, * FY28 -expect more line addition in Dhar

Exhibit 209: MBFSL's strategic manufacturing locations across India

	Biscuits (Metric Tonnes)	Bakery (Metric Tonnes)
Current Capacity	1,85,880	91,267
Additional Planned	0	24,741
Total	1,85,880	1,16,008



Source: Company, MOFSL

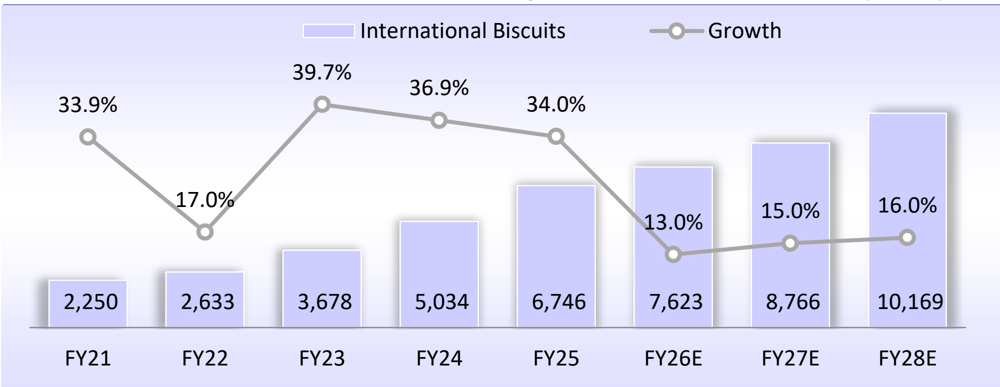
Unlocking B2B opportunities via exports and QSR

International biscuits portfolio (36% of sales)

We expect ~15% CAGR over FY25-28 led by private lables followed by own brand growth.

MBFSL's international biscuits portfolio constitutes about 36% of sales and remains the fastest-growing category, achieving a 32.1% revenue CAGR over FY20-25 with exports to over 70 countries. Major export regions include South & Latin America (25%), Africa (22%), and the USA (20%). The export portfolio features a variety of cookies, such as Danish cookies, chocolate chip cookies, center-filled cookies, creams, crackers, and some glucose biscuits under the flagship brand Mrs. Bectors Cremica. Growth is driven by premiumization and strong sales of Tin-Butter Cookies. The company recently established a dedicated subsidiary in the UAE to serve MENA and African markets, with plans for further expansion in FY25. It also manufactures biscuits under private labels for international retail chains, with ~50% of sales from owned brands and the rest from private labels, while these two carry a similar margin profile. The export revenue is expected to clock ~15% CAGR over FY25-FY28, driven by own brand growth.

Exhibit 210: International biscuits revenue is expected to clock a 14.7% CAGR (INR m)



Source: Company, MOFSL

Exhibit 211: Healthy international portfolio

Source: Company, MOFSL

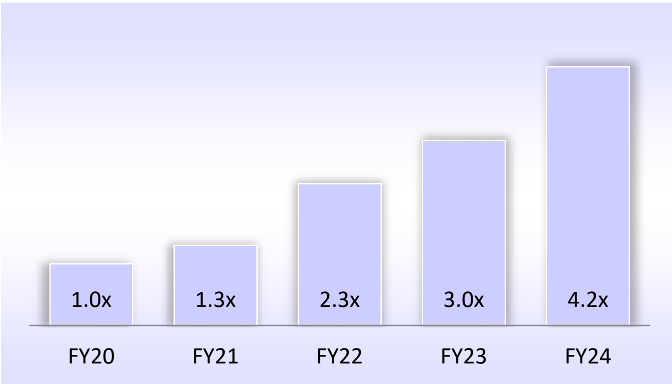
Earlier, MBFSL had significant export exposure to several African countries, but post-FY20, management reduced exports to these markets due to unstable political scenarios, poor socio-economic conditions, and high foreign exchange fluctuations. MBFSL management expects continued high-teens growth in exports driven by 1) increased penetration in select markets such as South, Central, and North America, the MENA region, and Australia; 2) a shift in product mix towards premiumization; and 3) enhanced brand visibility to boost owned brand sales. It is important to highlight that MBFSL has a diversified portfolio dominated by biscuits (~62% of sales) and bakery (~36%), led by the Cremica brand in mid-premium biscuits and English Oven in premium bakery.

Multiple tailwinds to grow the own brand business in international markets

MBFSL has 50% own brand contribution in International Portfolio.

With a 36% revenue contribution, the international business is largely driven by branded products, representing 50% of sales. The company maintains high-quality standards comparable to developed countries, which positions it well for long-term growth. Leveraging its cost advantage, management plans to increase advertising and promotional efforts to enhance brand visibility internationally. MBFSL is the preferred supplier and, as a differentiated player in India’s packaged foods sector, is driven by strong premiumization and innovation across its biscuit and bakery portfolios.

Exhibit 212: Strong growth in butter cookies



Source: Company, MOFSL

Exhibit 213: Brand visibility across target markets

Source: Company, MOFSL

In-house automation to support export potential

MBFSL has state-of-the-art machinery which helps to maintain quality control for export business.

MBFSL emphasizes stringent quality standards across its manufacturing process, supported by advanced in-house automation. The company utilizes state-of-the-art machinery from top OEMs in Denmark, Germany, the USA, and Italy, ensuring production in a controlled, regulatory-compliant environment that guarantees consistent product quality and market credibility. It employs a ‘Farinograph’ to maintain consistent wheat quality and semi-automated bread and buns lines to reduce human intervention and improve cost efficiency. Specialized hybrid ovens ensure uniform baking and quality in each batch. According to the Technopak report, MBFSL is among the few Indian buns suppliers equipped with modern facilities to handle large orders from QSR customers. The company manufactures over 95% of its products in-house, which supports better margin profiles in the long run despite the capital-intensive nature of the business.

Exhibit 214: State-of-the-art manufacturing units

Source: Company, MOFSL

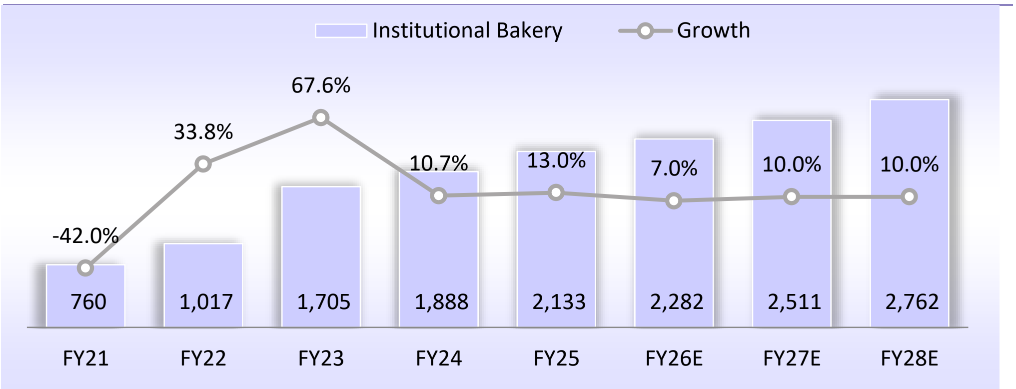
MBFSL has been engaged in QSR business since 1995, we expect high single digit growth CAGR over FY25-28.

Extended partnerships with QSR players (~11% of sales)

MBFSL has been engaged in the institutional bakery business since 1995, with McDonald's North Franchisee as its first client. The B2B bakery segment has contributed low to mid-teens of total sales over the past five years, growing at a ~10.2% CAGR during this period. Despite challenges, management has sustained low double-digit growth driven by innovative products such as frozen artisan cookies, flaked buttery laminated products, and filled puffs. We expect high single-digit growth to continue over the next 2-3 years, supported by product innovation.

MBFSL boasts as one of the largest buns suppliers in India to major QSR players such as Restaurant Brands Asia Ltd, Hardcastle Restaurants Pvt. Ltd, and Yum! Restaurants (India) Pvt. Ltd. Besides buns, MBFSL supplies bakery and frozen products like kulchas, pizzas, and cakes to QSRs, cloud kitchens, and cafes, along with processed dough for institutional clients. Leveraging its dedicated manufacturing facilities and long-standing customer relationships, MBFSL is well-positioned to capitalize on growth opportunities in the institutional bakery segment, which contributes ~11% of its sales.

Exhibit 215: Institutional bakery sales likely to clock 9% CAGR over FY25-28E (INR m)



Source: Company, MOFSL

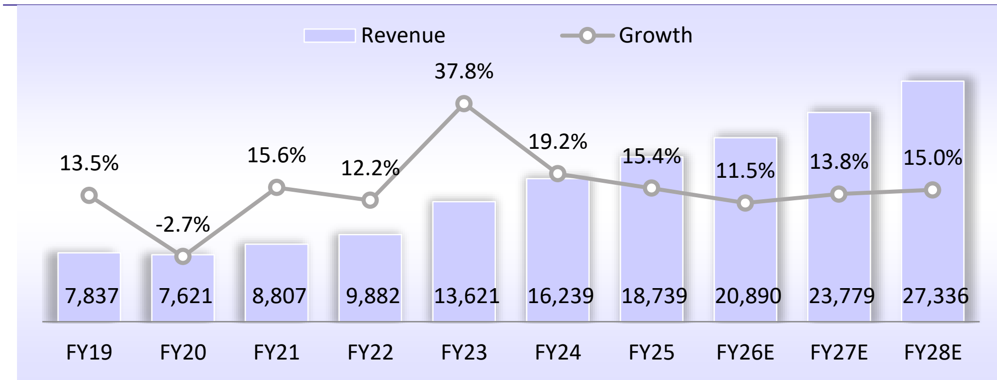
The Indian food service market has clocked a CAGR of 6.0% over the past decade, led by a 15.1% CAGR in store expansion over the last five years, followed by steady same-store sales growth (SSSG). Early in the decade, QSR companies rapidly expanded their share due to market novelty and demand for international brands, resulting in a strong SSSG. However, growth slowed in mid-decade (FY16–17) due to demonetization, but recovered just before the pre-pandemic era. Since Covid-19, the QSR sector has faced challenges from high inflation and restrictions, but has also witnessed operators optimizing unit economics and aggressively expanding beyond the top 100 cities. The rise of P2C platforms such as Zomato and Swiggy and the proliferation of cloud kitchens have fueled this growth. The QSR market is likely to clock ~9-10% CAGR, led by continued store expansion and mid-single-digit SSSG, though it remains highly competitive. These trends bode well for MBFSL's revenue momentum.

Financial outlook

Revenue CAGR is estimated at 13.4% over FY25-28

MBFSL delivered a strong revenue CAGR of 15.6% over FY19–25, driven by India's robust consumption growth, strategic expansion across domestic and international markets, a focus on premiumization, and significant investments in supply chain and manufacturing capabilities. The company is well-positioned for sustained growth led by Bakery and international exposure. We project a 13.4% revenue CAGR over FY25–28.

Exhibit 216: Revenue to exhibit a 13% CAGR over FY25-28 (INR m)



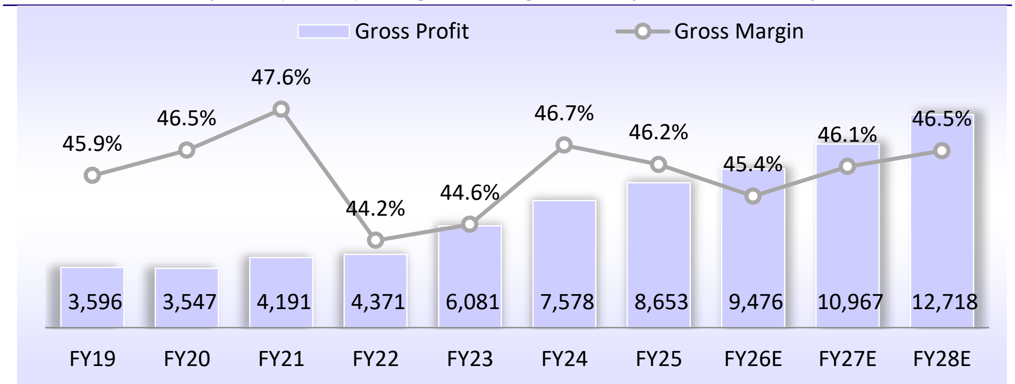
Source: Company, MOFSL

Improved margins appear sustainable

Gross margin estimated to reach 46.5% in FY28

MBFSL has maintained a relatively stable gross margin profile compared to its peers. During FY21-23, the company experienced pressure on margins due to high input costs amid inflation. However, with easing raw material prices in FY24, MBFSL has been able to improve margins. Looking forward, gross margin is projected to expand by ~35bp, reaching 46.5% by FY28. This margin improvement is expected to be driven by efficiencies from newly commissioned capacities, continued premiumization efforts, and favorable commodity cost trends.

Exhibit 217: Gross profit (INR m) and gross margin are expected to inch up

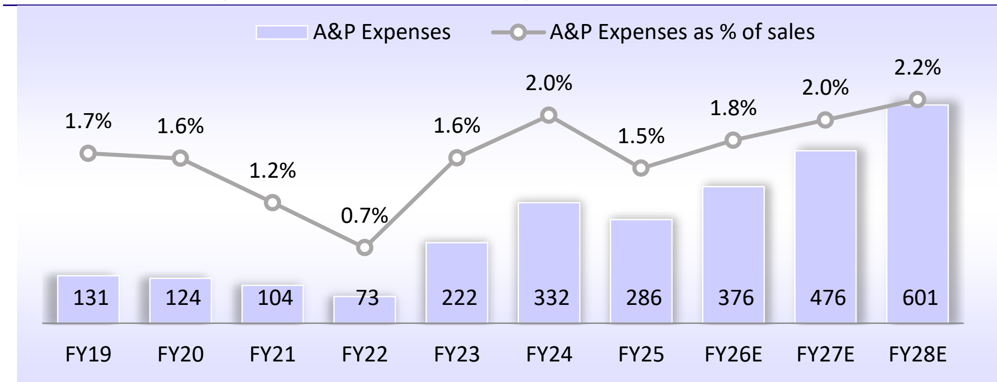


Source: Company, MOFSL

Healthy A&P expenses a competitive edge

MBFSL maintains a steady A&P spending of ~1.5–2% of sales, providing a competitive edge by balancing market share protection with long-term brand building. Management follows a focused approach on brand investments through mass media, digital marketing, and below-the-line initiatives. This healthy marketing investment positions MBFSL well to strengthen consumer connections.

Exhibit 218: A&P expenses (INR m) and A&P expenses as % of sales

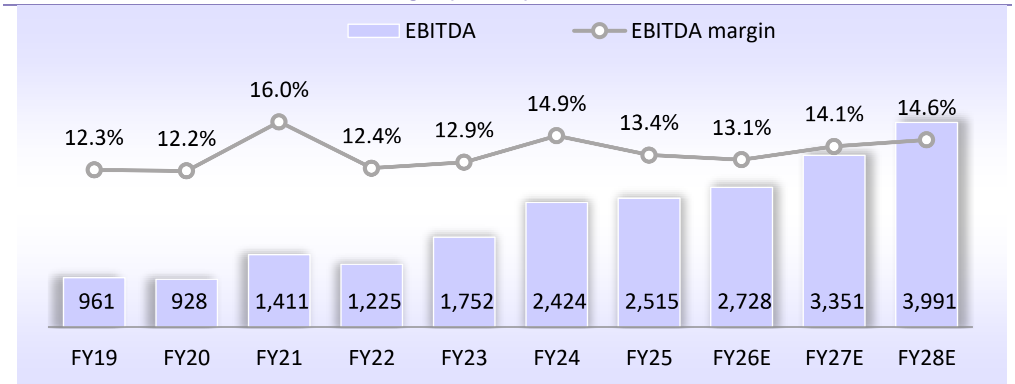


Source: Company, MOFSL

EBITDA margin to be driven by operating leverage

MBFSL's EBITDA margin contracted to 13.4% in FY25 from 14.9% in FY24 due to commodity inflation, elevated employee and marketing expenses, and higher logistics costs. With pricing actions completed, favorable palm oil trends, and long-term wheat contracts secured, margins are expected to recover. The ramp-up of new capacities at Dhar, combined with cost optimization initiatives under Project Impact 1.0, will drive operating leverage and improve efficiency.

Exhibit 219: EBITDA and EBITDA margin (INR m)

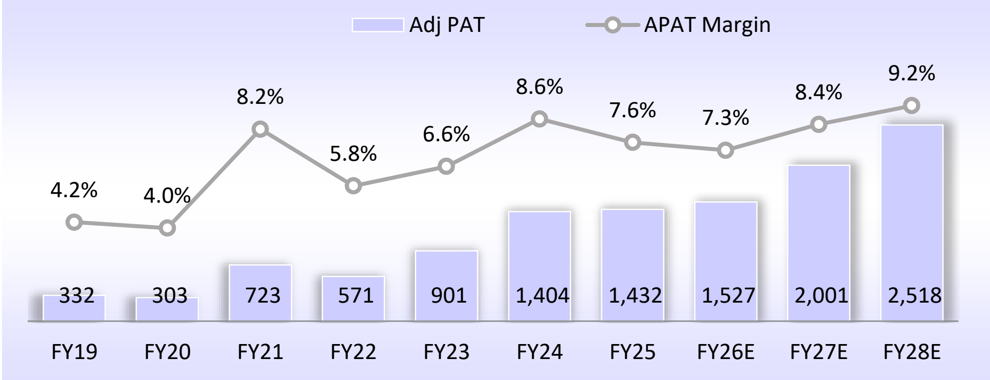


Source: Company, MOFSL

PAT margin estimated to reach 9.2% by FY28

We forecast MBFSL to achieve a robust PAT CAGR of 21% over FY25–28, reflecting a strong turnaround in profitability. The company's net profit increased from INR571m in FY22 (PAT margin 5.8%) to INR1.43b in FY25 (PAT margin expanding to 7.6%). This sustained margin improvement is driven by operating leverage, premiumization, and disciplined cost management. We project PAT to reach INR2.52b by FY28, with the PAT margin strengthening further to ~9.2%.

Exhibit 220: PAT margin is expected to reach 8.8% by FY28 (INR m)

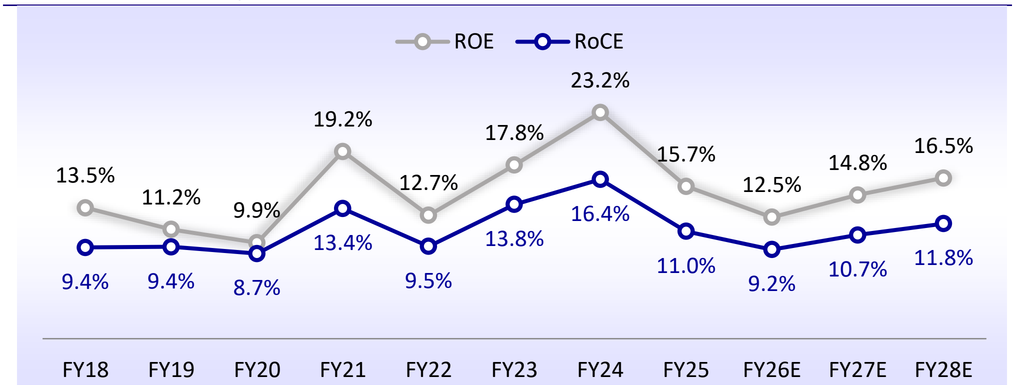


Source: Company, MOFSL

Return ratios to remain above 15% in FY28E

MBFSL has shown a strong recovery in return ratios post-pandemic, highlighting improved capital efficiency and shareholder value. Following a dip in FY22 with RoCE at 9.5% and RoE at 12.7%, the company rebounded sharply, achieving peak returns of 16.4% RoCE and 23.2% RoE in FY24 due to margin expansion and operating leverage. While these return ratios are expected to moderate and normalize as investments increase and the asset base scales during FY25–28, they are still projected to remain well above pre-pandemic levels, stabilizing at a robust RoCE of 11.8% and RoE of 16.5% by FY28E.

Exhibit 221: RoE likely to reach 15%+ in FY28E

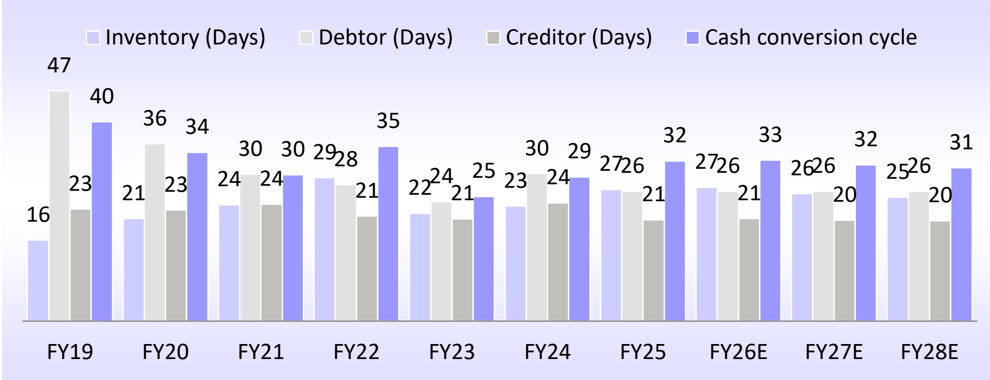


Source: Company, MOFSL

Cash Conversion Cycle

MBFSL has stable cash conversion cycle with avg. 30 days where inventory days is around 25 days while receivable/payable stand at 28/22 days. We expect similar trend would continue for next 2-3 years.

Exhibit 222: Cash conversion cycle

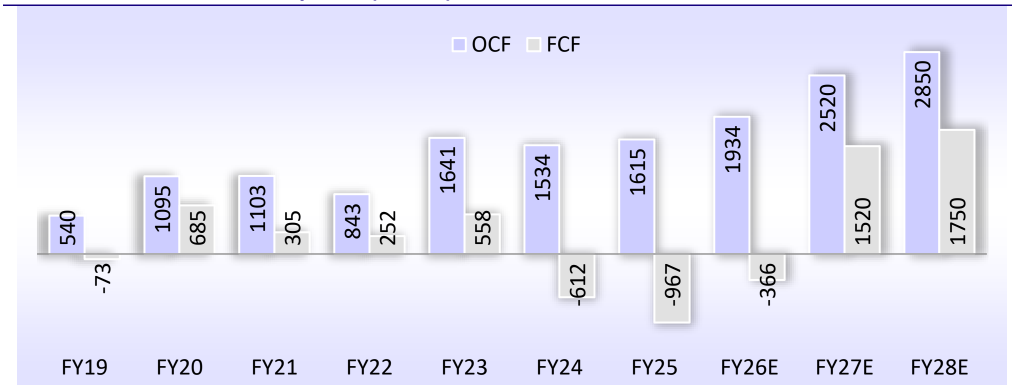


Source: Company, MOFSL

OCF/FCF Trend

MBFSL has generated positive FCFF over the past five years, except in FY24 & 25, due to lower OCF and higher capex for biscuit and bakery plants. We expect FCF generation to resume, with no major capex planned over the next two year.

Exhibit 223: OCF/FCF to improve (INR m)



Source: Company, MOFSL

Valuation & view: Initiate coverage with a Neutral rating

- We expect MBFSL to benefit from:
  - Strong demand across both value-conscious and premium consumer segments, which enhances competitive positioning and broadens brand appeal.
  - Dominance in the value-added biscuit segment, which boosts brand perception and supports sustainable growth and profitability.

A product-led strategy focusing on intrinsic brand equity with clear emphasis on quality and innovation to drive penetration in existing as well as newer markets.

- **We initiate coverage on MBFSL with a Neutral rating and a DCF-based TP of INR280.**
- Key risks would include: 1) distribution expansion and supply chain execution, 2) intense competition and brand identity confusion, 3) input cost volatility, and 4) global exposure, especially in the US.

Exhibit 224: Relative valuation of the coverage companies

Companies	Mcap (INRb)	CMP (INR)	TP (INR)	Upside (%)	Rating	EPS (INR)			P/E (X)			EV/EBITDA (X)			RoE (%)		
						FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Bikaji Foods	184	736	900	22%	BUY	9.3	12.2	16.2	78.9	60.2	45.4	42.4	35.3	31.7	15.6	17.5	19.9
Gopal Snacks	40	319	400	25%	BUY	4.5	6.5	10.0	70.8	48.8	31.9	36.9	27.9	20.0	13.1	16.9	22.3
Prataap Snacks	29	1201	1500	25%	BUY	7.9	18.8	33.4	152.6	63.7	35.9	30.8	21.3	15.0	2.7	6.2	10.1
Mrs Bectors	**76**	**248**	**280**	**13%**	**NEUTRAL**	**5.0**	**6.5**	**8.2**	**49.9**	**38.0**	**30.2**	**27.4**	**22.4**	**18.7**	**12.5**	**14.8**	**16.5**

Source: Company, Bloomberg, MOFSL

Exhibit 225: Projected free cash flow (INR m)

Particulars	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E
Revenue	**20,890**	**23,779**	**27,336**	**31,016**	**35,215**	**39,793**	**44,967**	**50,812**	**56,910**	**63,739**
Growth % YoY		13.8%	15.0%	13%	14%	13%	13%	13%	12%	12%
EBITDA	**2,728**	**3,351**	**3,991**	**4,625**	**5,265**	**6,009**	**6,835**	**7,774**	**8,764**	**9,880**
EBITDA %	13.1%	14.1%	14.6%	14.9%	15.0%	15.1%	15.2%	15.3%	15.4%	15.5%
Less: Capex	(2,300)	(1,000)	(1,100)	(1,200)	(1,200)	(1,194)	(1,349)	(1,524)	(1,707)	(1,912)
Less: Change in Working Capital	(277)	(164)	(302)	(276)	(418)	(557)	(630)	(711)	(797)	(892)
Less: Taxation	(465)	(594)	(737)	(884)	(1,026)	(1,215)	(1,425)	(1,663)	(1,915)	(2,198)
Free Cash Flows	**-313**	**1,593**	**1,852**	**2,264**	**2,622**	**3,043**	**3,432**	**3,875**	**4,345**	**4,877**

Source: MOFSL

Exhibit 226: DCF summary (INR m)

WACC	**10.0%**
NPV	32,100
TVGR	5.0%
NPV of TV	53,197
Enterprise Value	85,297
Cash and Cash Equivalents	2882
Debt	-1,313
Equity Value	86,866
No of Equity Shares (m)	307
Value Per Share (INR)	280
CMP (INR)	248
Upside	13%

Source: MOFSL

Bull and Bear cases

Bull case

- ☑ In our Bull case scenario, we factor in a 17% revenue CAGR over FY25-28E, driven by a higher volume growth.
- ☑ Further, with higher volumes, we expect operating leverage to improve EBITDA margin to 14.9% by FY28 (from 13.4% in FY25).

Bear case

- ☑ In our Bear case scenario, we factor in a 10% revenue CAGR over FY25-28E, driven by a lower volume growth.
- ☑ Further, with higher volumes, we expect operating leverage to improve EBITDA margin to 14.3% by FY28 (from 13.4% in FY25).

Exhibit 227: Scenario analysis

Particulars	Bear case			Base Case			Bull case		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Revenue (INR m)	20,425	22,433	24,891	20,890	23,779	27,336	21,550	25,392	30,205
EBITDA (INR m)	2,606	3,094	3,560	2,728	3,351	3,991	2,879	3,654	4,501
APAT (INR m)	1,405	1,744	2,086	1,527	2,001	2,518	1,677	2,305	3,027
Change YoY (%)	-1.9	24.2	19.6	6.7	31.1	25.8	17.2	37.4	31.4
Revenue Growth (%)	9.0	9.8	11.0	11.5	13.8	15.0	15.0	17.8	19.0
EBITDA Margin (%)	12.8	13.8	14.3	13.1	14.1	14.6	13.4	14.4	14.9
RoE (%)	11.5	13.1	14.0	12.5	14.8	16.5	13.6	16.7	19.3
EPS (INR)	4.6	5.7	6.8	5.0	6.5	8.2	5.5	7.5	9.9
Target Equity Value (INR m)	**63,899**			**86,866**			**1,15,663**		
Outstanding Shares (Nos m)	307.0			307.0			307.0		
Target price (INR)	**210**			**280**			**380**		
CMP (INR)	248			248			248		
Upside/Downside	**-15%**			**13%**			**53%**		

Source: MOFSL

Key Risks

Business scale-up: Distribution expansion and supply chain execution

Large-scale plant projects and south-region distribution expansion expose the company to execution risks, margin pressure, and potential supply chain issues.

Brand integrity: Competition and identity confusion

Competition from major players and dual ownership of the ‘Cremica’ brand could confuse consumers, weaken trust, and limit growth in premium segments.

Margin pressure: Input costs and rising share of global exports

Volatile input costs and high share of exports expose margins to price, forex, and geopolitical risks.

Regulatory and talent: Compliance and leadership continuity

Compliance with food safety and labor regulations, along with retaining key talent and ensuring leadership continuity, is critical to sustain growth and operational stability.

Company background

MBFSL is a leading Indian food company with a strong presence in both domestic and international markets. Founded by Padma Shri Smt. Rajni Bector, the company began as a small home bakery and has since evolved into a professionally managed enterprise known for its high standards of quality and innovation. Today, it stands as India's largest biscuit exporter, distributing to over 70 countries across six continents. The company also partners with global FMCG players, notably serving as a contract manufacturer for Mondelez India, producing popular biscuits like Oreo and Chocobakes. Its manufacturing infrastructure includes advanced facilities across Punjab, Himachal Pradesh, and Greater Noida, supporting large-scale operations and consistent quality output.

MBFSL has built a strong B2B presence, acting as the exclusive and preferred supplier to top quick-service restaurant (QSR) chains such as Burger King India, Hardcastle Restaurants (McDonald's West & South India), and Yum! Restaurants (KFC & Pizza Hut). It also supplies cloud kitchens, multiplexes, and institutional clients, further strengthening its food service vertical. Backed by a pan-India distribution network and a growing export footprint, the company has positioned itself as a reliable partner in the food ecosystem.

Management Team

Exhibit 228: Senior Management Team

Leader	Role	Experience
Mr. Anoop Bector	Managing Director	❖ 26+ years in the food industry, he also serves as Director at Bakebest Foods and Board Member at Punjab Agricultural University. He specialized in international supply chain management with McDonald's, Singapore.
Mr. Manu Talwar	CEO	❖ Associated with the company since May 2022. He is responsible for the management, strategic direction, and performance of the company.
Mr. Ishaan Bector	Whole-time Director	❖ He holds a Bachelor's degree from Michigan State University, USA, and has completed a management program for family businesses at the Indian School of Business.
Mr. Suvir Bector	Whole-time Director	❖ He holds a BA (Hons) in Management and Marketing from the University of Exeter and a Master's in Global Supply Chain Management from Cass Business School, London.
Mr. Parveen Kumar Goel	Whole-time Director wand CFO	❖ Qualified CA, with previous experience at Eveline International as GM Finance and has expertise in Finance, taxation and stakeholder management.

Source: Company, MOFSL

ESG initiatives

Environment

- The company has taken steps to improve energy efficiency across its manufacturing units, and is also exploring the use of solar energy and other renewables at its larger facilities.
- The company promotes sustainability through zero food waste, waste recycling, packaging optimization, and efficient water use via rainwater harvesting and treated water recycling.

Social

- The company ensures food safety and hygiene through regular training, diversity and labor policies, and compliance with FSSAI, HACCP, and ISO 22000 standards.
- MBFSL took CSR initiatives to support education, healthcare, nutrition, and rural development, including emergency meal and food packet distribution.

Governance

- The board includes a healthy mix of independent directors and has a formal Code of Conduct, Whistleblower Policy, and POSH framework in place.
- Structured risk management processes address supply chain, commodity, and regulatory risks, with transparency maintained through regular audits, reporting, and investor communications.

SWOT analysis

Financials and valuations

Consolidated Income Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	**8,807**	**9,882**	**13,621**	**16,239**	**18,739**	**20,890**	**23,779**	**27,336**
Change (%)	*15.6*	*12.2*	*37.8*	*19.2*	*15.4*	*11.5*	*13.8*	*15.0*
Total Expenses	7,397	8,657	11,869	13,815	16,224	18,162	20,428	23,345
Gross Profit	4,191	4,371	6,081	7,578	8,653	9,476	10,967	12,718
EBITDA	**1,411**	**1,225**	**1,752**	**2,424**	**2,515**	**2,728**	**3,351**	**3,991**
EBITDAM (%)	*16.0*	*12.4*	*12.9*	*14.9*	*13.4*	*13.1*	*14.1*	*14.6*
Depn. & Amortization	447	460	533	614	759	900	1,012	1,089
EBIT	**964**	**765**	**1,219**	**1,810**	**1,756**	**1,829**	**2,339**	**2,902**
Net Interest	95	71	129	118	129	98	98	92
Other income	101	63	120	190	290	313	428	547
PBT	**970**	**757**	**1,210**	**1,882**	**1,917**	**2,044**	**2,668**	**3,357**
EO expense	0	0	0	0	0	0	0	0
PBT after EO	970	757	1,210	1,882	1,917	2,044	2,668	3,357
Tax	248	186	306	479	485	517	667	839
Rate (%)	25.6	24.6	25.3	25.5	25.3	25.3	25.0	25.0
Reported PAT	**722**	**571**	**904**	**1,403**	**1,431**	**1,527**	**2,001**	**2,518**
Minority and Associates	1	0	-3	1	1	0	0	0
Adjusted PAT	**722**	**571**	**904**	**1,403**	**1,431**	**1,527**	**2,001**	**2,518**
Change (%)	*138.4*	*-20.9*	*58.3*	*55.2*	*2.0*	*6.7*	*31.1*	*25.8*

Consolidated Balance Sheet (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	587	588	588	588	613	613	613	613
Reserves	3,725	4,102	4,855	6,041	11,044	12,189	13,690	15,578
Net Worth	**4,312**	**4,690**	**5,443**	**6,629**	**11,658**	**12,803**	**14,304**	**16,192**
Minority Interest	0	0	0	0	0	0	0	0
Total Loans	1,305	1,285	1,207	2,246	1,313	1,313	1,313	1,313
Other long-term liabilities	289	320	295	450	740	793	851	915
Capital Employed	**5,906**	**6,295**	**6,946**	**9,324**	**13,711**	**14,909**	**16,468**	**18,420**
Gross Block	5,021	5,956	6,586	7,995	9,251	11,551	12,551	13,651
Less: Accum. Deprn.	1,624	2,042	2,510	3,078	3,747	4,548	5,452	6,422
Net Fixed Assets	**3,397**	**3,914**	**4,076**	**4,916**	**5,504**	**7,003**	**7,099**	**7,230**
Capital WIP	622	119	487	944	2,370	870	570	470
Investments	105	232	623	726	857	1,840	3,525	4,873
Other long-term assets	146	198	187	324	737	835	944	1,063
Curr. Assets	**2,542**	**2,759**	**2,941**	**4,093**	**6,188**	**6,465**	**6,706**	**7,504**
Inventory	569	787	814	1,037	1,371	1,552	1,685	1,882
Account Receivables	720	750	903	1,331	1,350	1,505	1,714	1,970
Cash and Bank Balances	909	896	817	1,271	2,882	2,722	2,526	2,678
Cash And Cash Equivalents				76	862	702	507	659
Bank bal. other than cash & Cash Equivalents above				1,195	2,020	2,020	2,020	2,020
Others	344	327	406	454	584	687	782	974
Curr. Liability & Prov.	**906**	**926**	**1,368**	**1,679**	**1,943**	**2,104**	**2,376**	**2,720**
Account Payables	573	577	775	1,067	1,054	1,188	1,334	1,522
Provisions & Others	333	349	593	612	889	916	1,042	1,198
Net Curr. Assets	**1,636**	**1,833**	**1,573**	**2,414**	**4,245**	**4,361**	**4,330**	**4,784**
Appl. of Funds	**5,906**	**6,295**	**6,946**	**9,324**	**13,711**	**14,909**	**16,468**	**18,420**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	2.5	1.9	3.1	4.8	4.7	5.0	6.5	8.2
Growth (%)	**136.8**	**-22.4**	**58.3**	**55.2**	**-2.3**	**6.7**	**31.1**	**25.8**
Cash EPS	4.1	3.5	4.9	6.9	7.1	7.9	9.8	11.7
BV/Share	14.9	16.0	18.5	22.5	38.0	41.7	46.6	52.7
DPS	2.4	2.5	3.0	3.3	6.0	1.2	1.6	2.1
Payout (%)	95.9	128.7	97.6	68.1	128.7	25.0	25.0	25.0
Dividend yield (%)	1.0	1.0	1.2	1.3	2.4	0.5	0.7	0.8
Valuation (x)								
P/E	99.1	127.7	80.6	52.0	53.2	49.9	38.0	30.2
Cash P/E	61.2	70.7	50.7	36.1	34.8	31.4	25.3	21.1
P/BV	16.6	15.5	13.4	11.0	6.5	5.9	5.3	4.7
EV/EBITDA	51.0	59.8	41.8	30.5	29.7	27.4	22.4	18.7
Return Ratios (%)								
EBITDA Margin (%)	16.0	12.4	12.9	14.9	13.4	13.1	14.1	14.6
Net Profit Margin (%)	8.2	5.8	6.6	8.6	7.6	7.3	8.4	9.2
RoE	19.2	12.7	17.8	23.2	15.7	12.5	14.8	16.5
RoCE (post-tax)	13.4	9.5	13.8	16.4	11.0	9.2	10.7	11.8
RoIC (post-tax)	17.7	12.9	18.8	24.8	20.3	17.6	20.0	23.9
Working Capital Ratios								
Fixed Asset Turnover (x)	2.6	2.5	3.3	3.3	3.4	3.0	3.3	3.8
Asset Turnover (x)	1.5	1.6	2.0	1.7	1.4	1.4	1.4	1.5
Inventory (Days)	24	29	22	23	27	27	26	25
Debtor (Days)	30	28	24	30	26	26	26	26
Payable (Days)	24	21	21	24	21	21	20	20

Consolidated Cash flow statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PBT	**971**	**757**	**1,207**	**1,883**	**1,918**	**1,829**	**2,339**	**2,902**
WC	-118	-168	118	-472	-534	-277	-164	-302
Others	474	465	613	614	728	900	1,012	1,089
Direct taxes (net)	-224	-212	-298	-490	-498	-517	-667	-839
CF from Op. Activity	**1,103**	**843**	**1,641**	**1,534**	**1,615**	**1,934**	**2,520**	**2,850**
Capex	-812	-603	-1,095	-2,152	-2,587	-2,300	-1,000	-1,100
FCFF	**291**	**240**	**546**	**-617**	**-973**	**-366**	**1,520**	**1,750**
Interest income	17	39	45	84	157	313	428	547
Others	-453	-1	-460	-167	-883	319	-1,603	-1,487
CF from Inv. Activity	**-1,247**	**-565**	**-1,510**	**-2,235**	**-3,314**	**-1,667**	**-2,175**	**-2,040**
Share capital	405	0	0	0	3,902	0	0	0
Borrowings	-7	-20	-79	1,039	-933	0	0	0
Finance cost	-92	-67	-124	-108	-103	-98	-98	-92
Dividend	0	-215	-147	-176	-307	-382	-500	-629
Others	-22	1	-16	-66	-75	53	58	64
CF from Fin. Activity	**285**	**-300**	**-366**	**688**	**2,484**	**-427**	**-541**	**-658**
(Inc)/Dec in Cash	**140**	**-23**	**-235**	**-13**	**785**	**-160**	**-195**	**152**
Opening balance	207	347	325	90	77	862	702	507
Closing balance	**347**	**325**	**90**	**77**	**862**	**702**	**507**	**659**

E: MOFSL Estimates

Company Update | Sector: Consumer

Britannia Industries

BSE Sensex	S&P CNX
85,063	26,179

CMP: INR5,988 TP:INR7,150 (+19%) Buy

Stock Info

Bloomberg	BRIT IN
Equity Shares (m)	241
M.Cap.(INRb)/(USDb)	1451.6 / 16.1
52-Week Range (INR)	6337 / 4506
1, 6, 12 Rel. Per (%)	1/1/15
12M Avg Val (INR M)	2051
Free float (%)	49.5

Financials Snapshot (INR b)

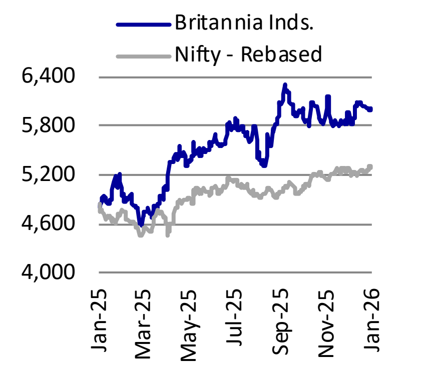
Y/E March	2026E	2027E	2028E
Sales	197.7	223.6	246.8
Sales Gr. (%)	10.2	13.1	10.4
EBITDA	37.3	42.7	47.7
EBITDA mrg. (%)	18.9	19.1	19.4
Adj. PAT	26.1	30.5	34.6
Adj. EPS (INR)	108.4	126.4	143.5
EPS Gr. (%)	18.0	16.6	13.5
BV/Sh.(INR)	211.8	258.7	320.8
Ratios			
RoE (%)	55.2	53.7	49.5
RoCE (%)	42.9	43.8	41.9
Payout (%)	71.0	62.5	56.4
Valuation			
P/E (x)	56.8	48.7	42.9
P/BV (x)	29.1	23.8	19.2
EV/EBITDA (x)	39.1	33.8	29.9
Div. Yield (%)	1.2	1.3	1.3

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	50.6	50.6	50.6
DII	19.4	18.7	16.4
FII	15.0	15.6	17.9
Others	15.0	15.2	15.2

FII includes depository receipts

Stock Performance (1-year)



Growth visibility improving aided by macro drivers

Britannia Industries (BRIT) is one of the key beneficiaries of GST 2.0, with ~85% of its product portfolio benefiting from the reform. This enhances affordability and is expected to revive consumption, especially in the mass and mid-premium segments. While the business has faced near-term headwinds due to de-stocking, the transitional impact is expected to normalize progressively by 3QFY26. BRIT's strong presence in biscuits and bakery, along with its expanding adjacencies in chocolates, dairy, and beverages, positions it well to capture significant volume upside. Around 60-65% of BRIT's portfolio comprises LUPs/price packs (INR5/10), which will see grammage additions. Thus, we expect an acceleration in both value & volume growth in the near-to-medium term. Higher operating leverage and increased throughput should aid profitability margin, alongside providing greater scope for premiumization. We have a BUY rating on BRIT with a target price of INR7,150 (premised on 50x Sep'27E EPS).

Gaining salience in the Hindi belt

BRIT's expansion momentum remains strong, led by double-digit rural growth driven by enhanced direct distribution and deeper outlet penetration. In urban markets, the company is strengthening its presence through route-to-market 2.0, accelerating E-com/QC contribution, and sharpening its focus on high-potential states in the Hindi belt, which deliver ~3x market growth.

Focus on adjacent categories and innovation

BRIT is increasing investments in its existing adjacent categories and does not plan to venture into new categories at this stage. Growth in these categories is currently 50% higher than in the core biscuits portfolio. Croissant revenue is projected to reach INR2b by FY26-end. The Milk business has already crossed INR2b in revenue. BRIT continues to innovate with healthier alternatives and premium products to cater to evolving consumer preferences. Innovations contribute ~3% of BRIT's sales.

Valuation and view

We remain constructive on the packaged food industry post the GST rate revision, given the sector's pure-play nature and the expectation of limited transition-related impact. With 60-65% of BRIT's portfolio being LUPs/price pack (INR5/10 price packs), the company stands out as a key beneficiary of the GST rate revision. We expect the earnings growth trend to improve from 2HFY26 onwards, given: 1) improving macro drivers for consumption, 2) share-gain opportunities as the rate cut narrows the pricing gap between organized and unorganized players, 3) BRIT's sustained focus on distribution expansion, 4) product innovation being a key impetus, and 5) softening key raw material costs (peak cycle behind). We model 11% revenue and 16% PAT CAGR for FY25-28. With positive green shoots in growth, we have a BUY rating with a TP of INR7,150 (premised on 50x Sep'27E EPS).

Financials and valuations

Income Statement

(INR b)

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net Revenues	**110.5**	**116.0**	**131.4**	**141.4**	**163.0**	**167.7**	**179.4**	**197.7**	**223.6**	**246.8**
Change (%)	11.5	4.9	13.2	7.6	15.3	2.9	7.0	10.2	13.1	10.4
Gross Profit	**44.9**	**46.7**	**55.1**	**53.8**	**67.1**	**72.8**	**73.4**	**82.0**	**93.0**	**102.9**
Margin (%)	40.6	40.3	41.9	38.0	41.2	43.4	40.9	41.5	41.6	41.7
Other Expenditure	22.6	23.5	25.5	27.6	32.0	34.1	35.9	36.9	41.4	45.3
EBITDA	**17.3**	**18.4**	**25.1**	**22.0**	**28.3**	**31.7**	**31.9**	**37.3**	**42.7**	**47.7**
Change (%)	15.4	6.3	36.1	-12.3	28.6	12.0	0.5	16.9	14.6	11.8
Margin (%)	15.7	15.9	19.1	15.6	17.4	18.9	17.8	18.9	19.1	19.4
Depreciation	1.6	1.8	2.0	2.0	2.3	3.0	3.1	3.4	3.6	3.7
Int. and Fin. Charges	0.1	0.8	1.1	1.4	1.7	1.6	1.4	1.4	1.1	0.9
Financial Other Income	2.1	2.8	3.1	2.2	2.2	2.1	2.3	2.4	2.7	3.1
PBT	**17.7**	**18.6**	**25.1**	**20.8**	**26.5**	**29.2**	**29.6**	**34.9**	**40.7**	**46.2**
Tax	6.0	4.5	6.6	6.1	7.2	7.7	7.4	8.8	10.2	11.6
Deferred Tax	0.1	0.0	0.1	-0.5	0.0	0.1	0.1	0.0	0.0	0.0
Tax Rate (%)	34.6	24.2	26.4	27.0	27.0	26.7	25.3	25.2	25.2	25.2
PAT	**11.6**	**14.1**	**18.5**	**15.2**	**19.4**	**21.4**	**22.1**	**26.1**	**30.5**	**34.6**
Change (%)	15.2	21.9	31.2	-18.0	27.9	10.1	3.6	18.0	16.6	13.5
Margin (%)	10.5	12.2	14.1	10.7	11.9	12.7	12.3	13.2	13.6	14.0
Non-rec. (Exp.)/Income	0.0	-0.2	0.0	0.0	3.8	0.0	-0.2	0.0	0.0	0.0
Reported PAT	**11.6**	**13.9**	**18.5**	**15.2**	**23.2**	**21.4**	**21.8**	**26.0**	**30.3**	**34.5**

Balance Sheet

(INR b)

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share Capital	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Reserves	42.3	43.8	35.2	25.3	35.1	39.2	43.3	50.8	62.1	77.0
Networth	**42.5**	**44.0**	**35.5**	**25.6**	**35.3**	**39.4**	**43.6**	**51.0**	**62.3**	**77.3**
Minority Interest	0.3	0.4	0.4	0.3	0.3	0.2	0.3	0.3	0.3	0.3
Loans	1.4	15.1	20.9	25.3	29.8	20.4	12.2	10.7	9.2	7.7
Capital Employed	**44.2**	**59.5**	**56.7**	**51.2**	**65.5**	**60.1**	**56.1**	**62.0**	**71.8**	**85.3**
Gross Block	20.6	24.8	26.2	28.1	39.5	44.3	48.4	50.9	53.4	55.9
Less: Accum. Depn.	-5.0	-7.4	-9.6	-12.0	-14.2	-17.9	-20.7	24.7	28.2	32.0
Net Fixed Assets	**15.6**	**17.4**	**16.6**	**16.1**	**25.3**	**26.4**	**27.7**	**27.0**	**26.1**	**25.1**
Goodwill on consolidation	1.3	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3
Capital WIP	1.0	0.4	1.2	5.4	1.1	1.9	0.9	0.9	0.9	0.9
Investments	14.8	28.9	27.8	17.6	33.2	27.7	28.8	29.0	34.0	39.0
Current	7.5	10.1	13.9	8.3	18.0	17.0	11.1	16.1	21.1	26.1
Non-current	7.3	18.8	13.9	9.3	15.2	10.7	17.7	12.9	12.9	12.9
Deferred Liability	-0.1	-0.1	0.0	-0.5	-0.6	-0.4	-0.4	-0.4	-0.4	-0.4
Current Assets	**29.6**	**30.1**	**33.1**	**34.1**	**32.1**	**33.0**	**29.2**	**37.0**	**47.1**	**60.8**
Inventory	7.8	7.4	10.9	13.7	11.9	11.8	12.4	13.6	15.4	17.0
Account Receivables	3.9	3.2	2.6	3.3	3.3	3.9	4.5	4.9	5.6	6.2
Cash and Bank Balance	1.1	1.2	2.4	1.8	2.0	4.5	3.1	8.3	14.7	25.0
Others	16.8	18.3	17.2	15.3	14.9	12.8	9.2	10.1	11.4	12.6
Curr. Liab. & Prov.	**18.1**	**18.8**	**23.3**	**24.0**	**28.1**	**30.6**	**32.3**	**33.7**	**38.0**	**42.2**
Account Payables	11.4	11.2	13.1	12.9	14.5	16.3	17.5	17.2	19.5	21.5
Other Liabilities	3.9	5.1	5.5	6.2	8.2	8.5	8.4	9.3	10.3	11.4
Net Current Assets	**11.5**	**11.3**	**9.8**	**10.2**	**4.1**	**2.4**	**-3.1**	**3.4**	**9.1**	**18.6**
Net Assets	**44.2**	**59.5**	**56.7**	**51.2**	**65.5**	**60.1**	**56.1**	**62.0**	**71.8**	**85.3**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Basic (INR)										
EPS	**48.1**	**58.6**	**76.8**	**63.0**	**80.6**	**88.7**	**91.9**	**108.4**	**126.4**	**143.5**
BV/Share	177.0	183.1	147.3	106.2	146.7	163.6	180.8	211.8	258.7	320.8
DPS	15.0	35.0	62.0	56.5	72.0	73.5	75.0	77.0	79.0	81.0
Payout (%)	31.2	59.7	80.7	89.7	89.4	82.9	81.6	71.0	62.5	56.4
Valuation (x)										
P/E	128.0	105.1	80.2	97.8	76.5	69.4	67.1	56.8	48.7	42.9
EV/Sales	13.3	12.6	11.2	10.5	9.1	8.8	8.2	7.4	6.5	5.8
EV/EBITDA	84.6	79.6	58.8	67.7	52.2	46.5	45.9	39.1	33.8	29.9
P/BV	34.8	33.7	41.8	58.0	42.0	37.7	34.1	29.1	23.8	19.2
Dividend Yield	0.2	0.6	1.0	0.9	1.2	1.2	1.2	1.2	1.3	1.3
Return Ratios (%)										
RoE	30.2	32.6	46.5	49.7	63.7	57.2	53.4	55.2	53.7	49.5
RoCE	25.6	24.2	29.3	27.1	32.6	33.5	37.0	42.9	43.8	41.9
RoIC	42.2	44.6	62.6	56.4	68.5	76.2	87.2	107.8	127.2	154.3
Working Capital Ratios										
Debtor (Days)	13	10	7	9	7	9	9	9	9	9
Asset Turnover (x)	2.5	1.9	2.3	2.8	2.5	2.8	3.2	3.2	3.1	2.9
Leverage Ratio										
Debt/Equity (x)	0.0	0.3	0.6	1.0	0.8	0.5	0.3	0.2	0.1	0.1

Cash Flow Statement (INR b)

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
OP Profit	17.7	18.4	25.1	20.8	30.3	29.2	29.4	34.9	40.7	46.2
Dep	1.6	1.8	2.0	2.0	2.3	3.0	3.1	3.4	3.6	3.7
Financial Other Income	-0.5	-0.7	-0.5	-0.3	-4.1	-0.3	-0.8	0.0	0.0	0.0
Net Interest Paid	1.3	1.0	1.2	0.4	-0.1	0.1	-0.1	-1.4	-1.1	-0.9
Direct Taxes Paid	6.0	5.0	6.3	5.9	7.3	7.6	6.9	8.8	10.2	11.6
Inc in WC	0.0	-1.3	0.6	3.3	-4.1	-1.6	0.0	1.3	-0.6	-0.8
CF from Operations	**11.6**	**14.8**	**18.5**	**13.0**	**25.3**	**25.7**	**24.8**	**29.6**	**35.7**	**40.1**
(Inc)/Dec in FA	-4.0	-2.4	-2.4	-5.5	-6.3	-5.0	-3.7	-2.5	-2.5	-2.5
Free Cash Flow	**7.6**	**12.4**	**16.1**	**7.5**	**18.9**	**20.8**	**21.1**	**27.1**	**33.2**	**37.6**
(Pur.)/Sale of Investments	-3.3	-13.3	1.8	10.5	-11.2	5.8	-0.3	-0.2	-5.0	-5.0
Other Non Rec Exp	-1.5	0.4	5.7	3.9	2.7	4.2	5.4	-0.3	-0.3	-0.3
CF from Investments	**-8.8**	**-15.3**	**5.1**	**8.9**	**-14.8**	**5.1**	**1.5**	**-3.0**	**-7.8**	**-7.8**
Issue of Shares	0.5	0.4	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inc in Debt	-0.4	4.9	5.6	3.2	5.3	-9.3	-1.3	-1.5	-1.5	-1.5
Dividend Paid	3.5	4.3	28.2	24.8	13.6	17.3	17.7	18.5	19.0	19.5
Other Item	0.1	0.4	1.0	0.8	2.0	1.6	8.7	1.4	1.1	0.9
CF from Fin. Activity	**-3.5**	**0.6**	**-22.4**	**-22.5**	**-10.3**	**-28.3**	**-27.6**	**-21.4**	**-21.6**	**-22.0**
Inc/Dec of Cash	**-0.8**	**0.1**	**1.1**	**-0.5**	**0.1**	**2.5**	**-1.3**	**5.2**	**6.3**	**10.3**
Add: Beginning Balance	1.9	1.1	1.2	2.4	1.8	2.0	4.5	3.1	8.3	14.7
Closing Balance	**1.1**	**1.2**	**2.4**	**1.8**	**2.0**	**4.5**	**3.1**	**8.3**	**14.7**	**25.0**

E: MOFSL Estimates

Nestlé India

BSE Sensex	S&P CNX
85,063	26,179

CMP: INR1,280 **TP:INR1,300 (+2%)** **Neutral**

Good Food, Good Life

Stock Info

Bloomberg	NEST IN
Equity Shares (m)	1928
M.Cap.(INRb)/(USDb)	2535 / 28.1
52-Week Range (INR)	1320 / 1055
1, 6, 12 Rel. Per (%)	5/7/8
12M Avg Val (INR M)	1846
Free float (%)	37.2

Financials Snapshot (INR b)

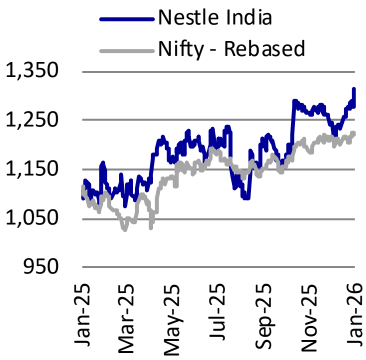
Y/E Mar	FY26E	FY27E	FY28E
Sales	223.6	248.5	272.5
Sales Gr. (%)	10.7	11.1	9.6
EBITDA	52.4	60.8	67.4
Margin (%)	23.4	24.5	24.7
Adj. PAT	32.5	38.9	43.4
Adj. EPS (INR)	16.9	20.1	22.5
EPS Gr. (%)	5.4	19.6	11.8
BV/Sh.(INR)	22.5	24.5	26.7
Ratios			
RoE (%)	77.9	85.8	87.9
RoCE (%)	69.7	76.5	78.5
Payout (%)	90.0	90.0	90.0
Valuation			
P/E (x)	75.8	63.4	56.7
P/BV (x)	56.8	52.1	47.7
EV/EBITDA (x)	47.0	40.4	36.4
Div. Yield (%)	1.2	1.4	1.6

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	62.8	62.8	62.8
DII	11.8	11.2	9.5
FII	9.8	10.3	11.9
Others	15.7	15.8	15.8

FII includes depository receipts

Stock Performance (1-year)



Favorable macros, premium valuation

More than 85% of Nestlé India's (NEST) portfolio has benefited from the GST rate revision. Unlike personal care, where grammage addition may be compensated by slow pack growth (or contraction), packaged food categories, which are driven by serve-for-one, may not face similar pressure on pack volumes. Confectionary, coffee, and noodles may see large benefits of GST 2.0. While minor trade disruptions may occur given the nature of the packaged food basket, the full demand benefits are expected to become visible from 3QFY26 onwards. Amid improving macro drivers, NEST is well-positioned to achieve double-digit revenue growth in the medium term, driven largely by volume growth. NEST has already been intensifying its focus on product penetration, and the pace of expansion is expected to accelerate further. We have a NEUTRAL rating on NEST with a target price of INR1,300 (based on 60x P/E Sep'27E).

Leveraging channels to strengthen distribution

E-commerce, especially quick commerce (QC), has become a major growth driver, contributing 8.6% to FY25 sales, with QC forming ~45% of e-commerce revenue. QC has also been instrumental in promoting new launches. The company's RURBAN strategy, which is focused on infrastructure, portfolio, technology, visibility, and consumer connect, continues to strengthen growth in rural and tier-2 markets, expanding distribution to over 28k touchpoints across 200k+ villages and driving sustained market resilience.

Operating margins to expand gradually

The company has faced gross margin pressure over the last three quarters on account of RM inflation. Commodity prices are expected to ease out, with stabilization in coffee, cocoa, and edible oil prices. However, given the future contract-based sourcing, there can be a lag in margin expansion.

Valuation and view

The company's focus on its RURBAN strategy drives stronger growth in RURBAN markets, with most categories benefiting from improved distribution penetration. The company continues to enhance its portfolio through ongoing innovation and premiumization initiatives. NEST's portfolio remains relatively safe from local competition, requiring limited overhead costs to protect market share. Mr. Manish Tiwary's outlook on the way forward will be a key factor to watch out for. The company has invested ~INR39b in strengthening its manufacturing capabilities to cater to the anticipated future demand. However, this will weigh on margins and return ratios in the near term. We model a revenue/EBITDA/PAT CAGR of 11%/12%/12% over FY25-28. The stock is trading at 76x/63x FY26/FY27 EPS. Given its expensive valuation, we have a Neutral rating with a TP of INR1,300 (based on 60x P/E Sep'27E).

Financials and valuations

Income Statement

(INR b)

Y/E March	CY20	CY21	CY22	FY24*	FY25	FY26E	FY27E	FY28E
Net Sales	**133.5**	**147.4**	**169.0**	**243.9**	**202.0**	**223.6**	**248.5**	**272.5**
Change (%)	7.9	10.4	14.6	15.5	3.5	10.7	11.1	9.6
Gross Profit	**76.8**	**83.9**	**91.5**	**136.9**	**114.5**	**123.0**	**139.2**	**153.9**
Margin (%)	57.5	56.9	54.1	56.1	56.7	55.0	56.0	56.5
EBITDA	**32.6**	**36.0**	**38.1**	**59.1**	**48.5**	**52.4**	**60.8**	**67.4**
Change (%)	11.4	10.2	6.1	23.9	2.6	7.9	16.2	10.8
Margin (%)	24.4	24.4	22.6	24.2	24.0	23.4	24.5	24.7
Depreciation	3.7	3.9	4.0	5.4	5.4	6.5	6.9	7.7
Int. and Fin. Ch.	1.6	2.0	1.5	1.5	1.4	1.8	1.7	1.6
Other Inc.- Rec.	1.5	1.2	1.0	1.5	0.6	0.5	0.9	1.2
PBT	**28.7**	**31.2**	**33.6**	**53.7**	**42.3**	**44.5**	**53.1**	**59.3**
Change (%)	4.9	8.7	7.5	60.0	-1.5	5.2	19.3	11.7
Margin (%)	21.5	21.2	19.9	22.0	21.0	19.9	21.4	21.8
Tax	7.3	7.4	8.7	13.6	11.1	11.4	13.7	15.3
Tax Rate (%)	25.4	23.7	25.8	25.2	26.2	25.6	25.7	25.7
Adjusted PAT	**21.0**	**23.3**	**24.4**	**39.6**	**30.8**	**32.5**	**38.9**	**43.4**
Change (%)	5.1	11.2	4.5	30.0	-2.6	5.4	19.6	11.8
Margin (%)	15.7	15.8	14.4	16.2	15.3	14.5	15.6	15.9
Reported PAT	**20.8**	**21.2**	**23.9**	**39.3**	**32.1**	**32.5**	**38.9**	**43.4**

Balance Sheet

(INR b)

Y/E March	CY20	CY21	CY22	FY24*	FY25	FY26E	FY27E	FY28E
Share Capital	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Reserves	18.3	18.9	22.7	31.5	38.2	41.4	45.3	49.7
Net Worth	**20.2**	**20.8**	**24.6**	**33.4**	**40.1**	**43.4**	**47.2**	**51.6**
Loans	0.3	0.3	0.3	0.3	7.5	7.8	8.1	8.4
Capital Employed	**20.5**	**21.1**	**24.9**	**33.7**	**47.6**	**51.2**	**55.4**	**60.0**
Gross Block	40.0	51.2	54.7	63.3	88.0	103.0	115.0	127.0
Less: Accum. Depn.	18.2	21.2	24.3	28.7	33.2	40.7	47.5	55.2
Net Fixed Assets	**21.8**	**29.9**	**30.4**	**34.6**	**54.7**	**62.3**	**67.4**	**71.8**
Capital WIP	6.4	2.5	3.6	17.4	11.7	11.7	11.7	11.7
Investments	14.6	7.7	7.8	4.6	5.8	5.8	5.8	5.8
Curr. Assets, L&A	**36.0**	**41.7**	**47.7**	**48.6**	**49.7**	**52.8**	**59.9**	**68.4**
Inventory	14.2	15.8	19.3	20.9	28.5	25.2	27.6	30.1
Account Receivables	1.6	1.7	1.9	3.0	3.6	4.0	4.5	4.9
Cash and Bank Balance	17.7	7.4	9.5	7.8	1.0	6.4	10.0	15.0
Others	2.5	16.9	17.1	16.9	16.6	17.2	17.8	18.3
Curr. Liab. and Prov.	**58.5**	**61.0**	**64.9**	**71.4**	**74.0**	**81.1**	**89.1**	**97.3**
Account Payables	15.2	17.3	19.3	22.4	23.7	27.3	29.7	32.2
Other Liabilities	8.5	7.1	9.5	14.1	12.8	14.1	15.5	17.1
Provisions	34.9	36.5	36.1	34.9	37.5	39.6	44.0	48.1
Net Curr. Assets	**-22.5**	**-19.3**	**-17.2**	**-22.8**	**-24.3**	**-28.3**	**-29.3**	**-29.0**
Def. Tax Liability	0.2	0.3	0.3	-0.1	-0.3	-0.3	-0.3	-0.3
Appl. of Funds	**20.5**	**21.1**	**24.9**	**33.7**	**47.6**	**51.2**	**55.4**	**60.0**

E: MOFSL Estimates

Note: FY24- Data for 15 months

Financials and valuations

Ratios

Y/E March	CY20	CY21	CY22	FY24*	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	**10.9**	**12.1**	**12.6**	**20.5**	**16.0**	**16.9**	**20.1**	**22.5**
Cash EPS	12.8	14.1	14.7	23.3	18.8	20.2	23.7	26.5
BV/Share	10.5	10.8	12.8	17.3	20.8	22.5	24.5	26.7
DPS	10.0	10.0	11.0	16.1	13.5	15.2	18.1	20.3
Payout (%)	92.0	82.7	87.1	78.4	84.4	90.0	90.0	90.0
Valuation (x)								
P/E	117.5	105.6	101.1	62.2	79.9	75.8	63.4	56.7
Cash P/E	99.8	90.5	86.7	54.8	68.0	63.1	53.9	48.2
EV/Sales	18.2	16.6	14.5	10.0	12.2	11.0	9.9	9.0
EV/EBITDA	74.5	68.1	64.1	41.5	50.8	47.0	40.4	36.4
P/BV	121.9	118.1	100.1	73.7	61.4	56.8	52.1	47.7
Dividend Yield (%)	0.8	0.8	0.9	1.3	1.1	1.2	1.4	1.6
Return Ratios (%)								
RoE	106.1	113.6	107.2	136.5	83.9	77.9	85.8	87.9
RoCE	112.2	122.0	113.4	140.9	79.3	69.7	76.5	78.5
Working Capital Ratios								
Debtor (Days)	4.5	4.1	4.1	4.5	6.6	6.6	6.6	6.6
Asset Turnover (x)	6.6	7.1	7.4	8.3	5.0	4.5	4.7	4.7
Leverage Ratio								
Debt/Equity (x)	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2

Cash Flow Statement

(INR b)

Y/E March	CY20	CY21	CY22	FY24*	FY25	FY26E	FY27E	FY28E
OP/(loss) before Tax	28.1	28.8	32.6	52.9	43.2	43.9	52.5	58.7
Int./Div. Received	0.3	0.1	0.2	0.3	0.4	1.8	1.7	1.6
Depn. and Amort.	3.7	3.9	4.0	5.4	5.4	6.5	6.9	7.7
Interest Paid	-1.5	-1.3	-0.7	-1.3	-2.2	-0.5	-0.9	-1.2
Direct Taxes Paid	-7.0	-7.3	-8.4	-13.0	-10.2	-11.4	-13.7	-15.3
Incr in WC	1.0	-1.5	-0.3	-2.5	-7.1	5.7	0.2	0.5
CF from Operations	**24.5**	**22.7**	**27.4**	**41.7**	**29.4**	**46.1**	**46.8**	**52.0**
Others	4.4	8.0	0.9	2.0	1.2	5.1	5.2	5.4
Incr in FA	-4.7	-7.3	-5.4	-18.8	-20.0	-15.0	-12.0	-12.0
Free Cash Flow	**19.8**	**15.4**	**22.0**	**23.0**	**9.3**	**31.1**	**34.8**	**40.0**
Pur of Investments	0.0	-13.5	0.5	4.7	1.2	0.0	0.0	0.0
CF from Invest.	**-0.4**	**-12.9**	**-4.0**	**-12.1**	**-17.7**	**-9.9**	**-6.8**	**-6.6**
Incr in Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Paid	-18.9	-19.3	-20.2	-30.1	-24.6	-29.2	-35.0	-39.1
Others	-0.7	-0.9	-1.0	-1.3	6.1	-1.5	-1.4	-1.3
CF from Fin. Activity	**-19.6**	**-20.2**	**-21.2**	**-31.3**	**-18.5**	**-30.7**	**-36.4**	**-40.4**
Incr/Decr of Cash	**4.6**	**-10.3**	**2.1**	**-1.7**	**-6.8**	**5.4**	**3.6**	**5.0**
Add: Opening Balance	13.1	17.7	7.4	9.5	7.8	1.0	6.4	10.0
Closing Balance	**17.7**	**7.4**	**9.5**	**7.8**	**1.0**	**6.4**	**10.0**	**15.0**

E: MOFSL Estimates

Note: FY24- Data for 15 months

Tata Consumer

BSE Sensex	S&P CNX
85,063	26,179

CMP: INR1,172 **TP:INR1,450 (+24%)** **Buy**

TATA CONSUMER PRODUCTS

Stock Info

Bloomberg	TATACONS IN
Equity Shares (m)	990
M.Cap.(INRb)/(USDb)	1169.7 / 13
52-Week Range (INR)	1203 / 926
1, 6, 12 Rel. Per (%)	1/5/16
12M Avg Val (INR M)	1570
Free float (%)	66.2

Financials Snapshot (INR b)

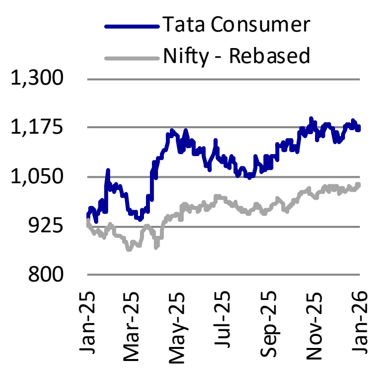
Y/E MARCH	2026E	2027E	2028E
Sales	197	213	230
EBITDA	28	32	35
Adj. PAT	17	20	22
EBITDA Margin (%)	14	15	15
Cons. Adj. EPS (INR)	17	20	22
EPS Gr. (%)	21	19	9
BV/Sh. (INR)	228	242	258
Ratios			
Net D:E	0	0	0
RoE (%)	8	9	9
RoCE (%)	10	11	12
Payout (%)	38	32	29
Valuations			
P/E (x)	70	59	53
EV/EBITDA (x)	38	32	29
Div. Yield (%)	1	1	1
FCF Yield (%)	1	2	2

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	33.8	33.8	33.8
DII	22.2	22.0	18.8
FII	22.1	22.0	24.4
Others	21.9	22.2	23.0

FII includes depository receipts

Stock Performance (1-year)



Premiumization & portfolio expansion: growth drivers

Tata Consumer Products (TATCONS), part of the Tata Group, is an integrated F&B company and the second-ranked branded tea player globally. It holds leadership positions across key categories, supported by a portfolio of iconic and trusted brands including Tata Salt, Tata Tea, Tetley, Himalayan, Tata Sampann, Ching's, Eight O'Clock, and Organic India. With a reach of 275m+ households and distribution across 4.4m retail outlets, the company continues to strengthen its multi-channel presence, leveraging its strong brand and distribution network to drive growth. We have a BUY rating on TATCONS with a target price of INR1,450.

From tea to wholesome FMCG: TATCONS's strategic transformation

TATCONS has transformed from a legacy tea company into a diversified, multi-category FMCG player, driven by the integration of the Foods business and a deliberate strategy of category expansion. Over the past five years, the company has built a broad portfolio across beverages, packaged foods, snacks, RTD, condiments, and health & wellness, supported by acquisitions such as Soulfull, Capital Foods, and Organic India. With a fortified distribution network, an innovation-led pipeline, and a growing premium and wellness mix, the company today operates as a scaled "house of brands" with multiple high-growth engines. This evolution has meaningfully expanded its addressable market and enhanced margin resilience.

Premiumization and market tailwinds aid its India beverage segment

TATCONS's India-branded segment witnessed an EBIT CAGR of 7% over FY22-FY25, supported by the company's strong portfolio. Going forward, we expect this momentum to sustain, with the segment to clock a CAGR of ~26% over FY25-28. This will be underpinned by the management's strategic focus on scaling its health-focused offerings – vitamin-enriched teas, immunity blends, and affordable green tea formats, which should broaden the addressable market, premiumize the mix, and strengthen pricing power and margins across key geographies. Further, TATCONS is driving strong growth in its salt business by distribution, aggressively scaling high-margin value-added products. The growth portfolio (Sampann, Soulfull, RTD, Capital Foods, and Organic India), which contributes ~30% of its India revenue, has seen strong traction in recent years, with management reaffirming its 30% growth outlook.

Expanding distribution network to capture broad-based FMCG growth

The company expanded its distribution to 4.4m retail outlets (vs. 2.5m in FY20), supported by a next-gen Distributor Management System that enhances salesforce efficiency and execution. Modern trade and e-com/Q-com channels remain strong growth engines (currently contributing to ~37% of the sales). We model a revenue/EBITDA/PAT CAGR of 9%/12%/16% over FY25-28.

Financials and valuations

Consolidated Income Statement								(INR b)
Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net Sales	**116.0**	**124.3**	**137.8**	**154.3**	**176.2**	**197.4**	**212.7**	**229.8**
Change (%)	20.4	7.1	10.9	11.9	14.2	12.0	7.8	8.1
Gross Profit	**47.0**	**53.4**	**57.8**	**65.7**	**75.5**	**82.4**	**92.4**	**99.4**
Margin (%)	40.5	43.0	41.9	42.6	42.8	41.8	43.4	43.2
Other operating exp.	31.6	36.2	39.2	43.3	50.7	54.6	60.0	64.4
EBITDA	**15.4**	**17.2**	**18.6**	**22.5**	**24.8**	**27.8**	**32.4**	**35.0**
Margin (%)	13.3	13.8	13.5	14.6	14.1	14.1	15.2	15.2
Depreciation	2.5	2.8	3.0	3.7	6.0	6.1	6.9	7.1
Net Interest	0.7	0.7	0.9	1.3	2.9	1.4	1.0	1.0
Other income	1.2	1.4	1.7	2.5	1.9	2.0	2.1	2.3
PBT before EO	**13.4**	**15.1**	**16.3**	**19.9**	**17.8**	**22.4**	**26.6**	**29.2**
EO income/(exp.)	-0.3	-0.5	1.6	-3.3	-0.1	0.0	0.0	0.0
PBT after EO	13.1	14.6	17.9	16.7	17.8	22.4	26.6	29.2
Tax	3.2	3.8	4.5	3.9	4.0	5.6	6.7	7.3
Rate (%)	24.2	25.9	24.9	23.7	22.3	24.9	25.2	25.2
Minority and Associates	1.4	1.4	1.4	1.5	1.0	0.8	0.7	0.2
Reported PAT	**8.6**	**9.4**	**12.0**	**11.2**	**13.8**	**16.8**	**19.9**	**21.8**
Adjusted PAT	**8.7**	**9.7**	**10.8**	**13.7**	**13.9**	**16.8**	**19.9**	**21.8**
Change (%)	20.8	11.8	11.2	26.1	1.4	21.1	18.8	9.5

Balance Sheet								(INR b)
Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share Capital	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0
Reserves	144.4	150.5	161.8	159.6	199.0	208.8	221.8	237.2
Net Worth	**145.3**	**151.4**	**162.8**	**160.6**	**200.0**	**209.8**	**222.8**	**238.2**
Minority Interest	10.9	11.5	8.5	13.8	13.9	14.0	14.2	14.2
Loans	12.1	10.1	11.8	29.5	18.5	13.5	13.5	13.5
Capital Employed	**168.3**	**173.0**	**183.1**	**203.9**	**232.4**	**237.2**	**250.4**	**265.8**
Gross Block	61.8	66.7	71.7	113.9	131.1	135.1	139.1	143.1
Less: Accum. Deprn.	21.4	24.2	27.2	30.9	36.9	43.0	49.9	57.0
Net Fixed Assets	**40.4**	**42.5**	**44.5**	**83.0**	**94.2**	**92.1**	**89.2**	**86.1**
Capital WIP	1.1	4.6	5.1	4.0	4.3	4.3	4.3	4.3
Goodwill & Intangibles	76.0	77.5	80.3	103.3	113.3	113.3	113.3	113.3
Investments	4.8	6.0	6.8	6.3	6.8	6.0	5.5	5.3
Curr. Assets	**79.9**	**80.1**	**91.0**	**82.1**	**99.7**	**111.3**	**132.1**	**155.4**
Inventories	22.5	22.7	27.0	27.7	36.0	38.9	42.0	45.3
Account Receivables	7.6	8.4	8.0	9.0	8.7	11.9	12.8	13.9
Cash and Bank Balance	34.0	28.0	35.5	26.9	31.1	35.4	51.0	68.6
Others	15.8	21.1	20.5	18.5	23.9	25.1	26.3	27.6
Curr. Liability & Prov.	**28.4**	**30.2**	**36.4**	**58.4**	**65.5**	**69.5**	**73.6**	**78.2**
Account Payables	16.3	19.2	23.5	27.1	35.1	37.9	40.8	44.1
Other liabilities	9.2	8.6	10.5	27.4	26.9	28.0	29.1	30.3
Provisions	2.9	2.5	2.4	3.9	3.6	3.7	3.8	3.9
Net Curr. Assets	**51.5**	**49.8**	**54.6**	**23.7**	**34.2**	**41.8**	**58.5**	**77.2**
Def. tax liability	5.5	7.5	8.1	16.5	20.4	20.4	20.4	20.4
Appl. of Funds	**168.3**	**173.0**	**183.1**	**203.9**	**232.4**	**237.2**	**250.4**	**265.8**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
Basic (INR)								
EPS	**9.1**	**10.2**	**11.4**	**14.3**	**14.0**	**17.0**	**20.1**	**22.1**
Cash EPS	11.4	12.7	14.0	17.5	20.1	24.8	29.1	31.4
BV/Share	146.9	153.0	164.5	162.3	202.1	227.6	241.7	258.4
DPS	4.1	6.1	6.1	6.5	6.5	6.5	6.5	6.5
Payout (%)	43.6	59.6	46.7	55.2	46.6	38.3	32.3	29.5
Dividend yield (%)	0.3	0.5	0.5	0.6	0.6	0.6	0.6	0.6
Valuation (x)								
P/E	129.0	115.3	103.7	82.3	84.3	69.6	58.6	53.5
Cash P/E	103.7	93.2	84.1	67.3	58.8	47.5	40.5	37.6
P/BV	8.0	7.7	7.2	7.3	5.8	5.2	4.9	4.6
EV/Sales	9.2	8.6	7.7	7.1	6.1	5.4	4.9	4.5
EV/EBITDA	69.0	62.2	57.3	48.5	43.4	38.3	32.4	29.5
Dividend Yield (%)	0.3	0.5	0.5	0.6	0.6	0.6	0.6	0.6
FCF per share	15.7	13.5	12.4	16.8	16.1	15.2	21.1	23.0
Return Ratios (%)								
RoE	6.1	6.6	6.9	8.5	7.7	8.2	9.2	9.5
RoCE	8.2	8.9	9.5	10.5	9.1	9.8	11.1	11.6
RoIC	10.9	10.5	11.2	12.1	10.5	11.2	13.1	14.9
Working Capital Ratios								
Fixed Asset Turnover (x)	2.9	2.9	3.1	1.9	1.9	2.1	2.4	2.7
Asset Turnover (x)	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.9
Debtor (Days)	24	25	21	21	18	22	22	22
Creditor (Days)	51	56	62	64	73	70	70	70
Inventory (Days)	71	67	72	66	75	72	72	72
Leverage Ratio (x)								
Net Debt/Equity	-0.2	-0.1	-0.1	0.0	-0.1	-0.1	-0.2	-0.2

Cash flow statement (INR b)

Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
EBITDA	**15.4**	**17.2**	**18.6**	**22.5**	**24.8**	**27.8**	**32.4**	**35.0**
Prov. & FX	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
WC	3.1	2.0	0.3	1.9	0.0	-3.2	-0.8	-0.9
Others	1.2	-0.3	0.2	-1.2	-0.2	0.0	0.0	0.0
Direct taxes (net)	-3.2	-3.8	-4.5	-3.9	-4.0	-5.6	-6.7	-7.3
CF from Op. Activity	**16.6**	**15.2**	**14.6**	**19.4**	**20.6**	**19.1**	**24.9**	**26.7**
Capex	-2.1	-2.7	-3.1	-3.3	-4.6	-4.0	-4.0	-4.0
FCFF	**14.5**	**12.4**	**11.5**	**16.0**	**16.0**	**15.1**	**20.9**	**22.7**
Interest/dividend	0.7	0.9	1.2	1.9	1.2	2.0	2.1	2.3
Investments in subs/assoc.	-2.2	-7.4	-2.0	-38.8	-19.3	0.0	0.0	0.0
Others	-0.5	-4.0	-4.4	21.0	-0.8	0.0	0.0	0.0
CF from Inv. Activity	**-4.1**	**-13.2**	**-8.3**	**-19.3**	**-23.5**	**-2.0**	**-1.9**	**-1.7**
Share capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowings	-0.6	-4.9	0.0	12.5	-11.6	-5.0	0.0	0.0
Finance cost	-0.7	-0.6	-0.8	-1.2	-2.6	-1.4	-1.0	-1.0
Dividend	-2.7	-4.0	-5.7	-8.1	-7.4	-6.4	-6.4	-6.4
Others	0.9	1.6	7.8	-11.9	28.8	0.0	0.0	0.0
CF from Fin. Activity	**-3.0**	**-7.9**	**1.2**	**-8.6**	**7.1**	**-12.8**	**-7.4**	**-7.4**
(Inc)/Dec in Cash	**9.4**	**-6.0**	**7.5**	**-8.6**	**4.2**	**4.3**	**15.6**	**17.6**
Opening balance	24.6	34.0	28.0	35.5	26.9	31.1	35.4	51.0
Closing balance (as per B/S)	**34.0**	**28.0**	**35.5**	**26.9**	**31.1**	**35.4**	**51.0**	**68.6**

E: MOFSL Estimates

LT Foods

BSE Sensex	S&P CNX
85,063	26,179

CMP: INR390 TP:INR550 (+41%) BUY

LT Foods

Stock Info

Bloomberg	LTFOODS IN
Equity Shares (m)	347
M.Cap.(INRb)/(USDb)	132.2 / 1.5
52-Week Range (INR)	519 / 288
1, 6, 12 Rel. Per (%)	-4/-25/-21
12M Avg Val (INR M)	387
Free float (%)	49.0

Financials Snapshot (INR b)

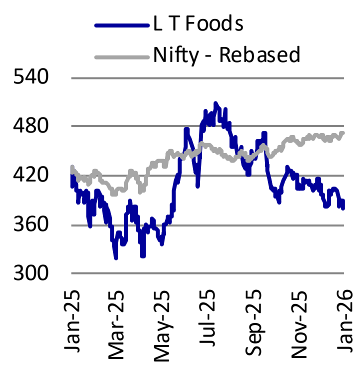
Y/E MARCH	FY26E	FY27E	FY28E
Sales	109.3	122.9	136.0
EBITDA	12.3	14.7	16.6
Adj. PAT	7.1	9.4	11.0
EBITDA (%)	11.3	11.9	12.2
EPS (INR)	20.5	26.9	31.8
EPS Gr.%	17.6	31.3	18.1
BV/Sh. (INR)	126.5	148.4	175.2
Ratios			
Net D:E	0.1	0.0	-0.1
RoE (%)	17.3	19.6	19.7
RoCE (%)	16.0	18.3	19.2
Valuations			
P/E (x)	20	15	13
EV/EBITDA (x)	12	10	8

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	33.8	33.8	33.8
DII	22.2	22.0	18.8
FII	22.1	22.0	24.4
Others	21.9	22.2	23.0

FII includes depository receipts

Stock Performance (1-year)



Basmati brilliance on a global scale!

LTFOODS is a leading Indian basmati and specialty rice producer with over 70 years of experience in offering a diverse range of rice products under the brands Daawat and Royal. The company operates on a farm-to-fork model, ensuring comprehensive control over the value chain. With a significant presence in over 80 countries including India, North America, Europe, UK, the Middle East and the Far East, and flagship brands including Daawat and Royal, along with other brands - Golden Star, Heritage, Elephant, Devaaya, Ecolife and Kari Kari, the company achieved a 16% revenue CAGR over FY20-25. LTFOODS focuses on expanding margins while maintaining a strong market share globally. We have a Buy rating on LTFoods with a target price of INR550.

India dominates the global basmati rice market

Basmati rice accounts for only 4% of the global rice market. India leads the basmati rice market with ~75% share. The company has more than 78%/52%/21% share in exports of organic rice/organic pulses and lentils/organic oil seeds. This makes LTFOODS the pioneers of Indian exports.

Diversifying its commodity risk

Rice has transformed rapidly into a branded and packaged product, aligning itself with a change in consumer preferences. Most of the credit goes to the extensive branding exercise of organized players. Further, LTFOODS' organic food segment had an 11% share in FY25. The company expects this segment to register a CAGR of 33-35% over the next five years.

Pioneer in the organic food sector

LT Foods is primarily a B2B ingredient supplier, with 99% of sales to other brands, supported by partnerships with 64k+ farming families across 94k hectares of certified organic farmland in India. To mitigate U.S. anti-dumping duties, it is setting up a 20,000 MT facility in Uganda, leveraging 65,000 hectares and 14,700 farmers for crops such as sesame, soybean, and chia, with future plans for coffee and avocado. While largely B2B in organics, the company has also entered B2C through brands like *Daawat Ecolife* et al.

Going global – expanding its reach

LTFOODS has established two dedicated operating entities: one in Rotterdam, Netherlands (60,000MT capacity of rice processing), serving the EU market, and another in Harlow, UK, for the UK market (20,000MT). We expect LTFOODS to continue its strong growth momentum in the North American market, aided by healthy market growth (at 10-12% CAGR), entry into adjacent rice categories (specialty rice), and growing acceptance of RTH products. We model a revenue/EBITDA/PAT CAGR of 16%/19%/22% over FY25-28.

Financials and valuations

Consolidated - Income Statement (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**41,351**	**47,419**	**54,274**	**69,358**	**77,724**	**86,815**	**1,09,307**	**1,22,907**	**1,35,974**
Change (%)	6.3	14.7	14.5	27.8	12.1	11.7	25.9	12.4	10.6
Raw Materials	28,752	30,405	34,679	45,775	52,781	57,403	72,081	82,102	90,558
Gross Profit	**12,599**	**17,015**	**19,595**	**23,583**	**24,943**	**29,412**	**37,226**	**40,805**	**45,415**
Employees Cost	1,986	2,643	2,896	3,596	4,301	4,908	6,228	6,268	6,935
Other Expenses	5,986	8,748	10,781	12,989	11,263	14,722	18,688	19,885	21,872
Total Expenditure	**36,724**	**41,796**	**48,356**	**62,360**	**68,345**	**77,032**	**96,997**	**1,08,255**	**1,19,365**
% of Sales	88.8	88.1	89.1	89.9	87.9	88.7	88.7	88.1	87.8
EBITDA	**4,627**	**5,624**	**5,917**	**6,998**	**9,379**	**9,783**	**12,310**	**14,652**	**16,609**
Margin (%)	11.2	11.9	10.9	10.1	12.1	11.3	11.3	11.9	12.2
Depreciation	914	1,085	1,226	1,269	1,529	1,857	2,362	2,477	2,597
EBIT	**3,713**	**4,539**	**4,691**	**5,729**	**7,850**	**7,926**	**9,948**	**12,175**	**14,012**
Int. and Finance Charges	1,323	874	687	821	830	877	990	540	208
Other Income	379	315	232	430	496	885	678	860	952
PBT bef. EO Exp.	**2,770**	**3,980**	**4,236**	**5,338**	**7,517**	**7,934**	**9,636**	**12,495**	**14,756**
PBT after EO Exp.	**2,770**	**3,980**	**4,236**	**5,338**	**7,517**	**7,934**	**9,636**	**12,495**	**14,756**
Total Tax	776	1,089	1,144	1,353	2,029	2,102	2,585	3,145	3,714
Tax Rate (%)	28.0	27.4	27.0	25.3	27.0	26.5	26.8	25.2	25.2
Minority Interest	148	150	170	-42	-446	-222	-70	0	0
Reported PAT	**1,845**	**2,741**	**2,922**	**4,028**	**5,933**	**6,053**	**7,121**	**9,350**	**11,042**
Adjusted PAT	**1,845**	**2,741**	**2,922**	**4,028**	**5,933**	**6,053**	**7,121**	**9,350**	**11,042**
Change (%)	45.8	48.5	6.6	37.9	47.3	2.0	17.6	31.3	18.1
Margin (%)	4.5	5.8	5.4	5.8	7.6	7.0	6.5	7.6	8.1

Consolidated - Balance Sheet (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	320	320	320	347	347	347	347	347	347
Total Reserves	14,494	17,235	19,656	27,223	33,369	38,189	43,574	51,188	60,493
Net Worth	**14,813**	**17,555**	**19,976**	**27,571**	**33,716**	**38,537**	**43,921**	**51,535**	**60,841**
Minority Interest	1,179	1,348	1,513	400	551	0	0	0	0
Total Loans	17,643	15,698	13,196	9,377	5,262	7,434	7,434	3,934	434
Deferred Tax Liabilities	-319	-195	-182	-186	-256	-324	-324	-324	-324
Capital Employed	**33,316**	**34,406**	**34,503**	**37,161**	**39,273**	**45,647**	**51,032**	**55,146**	**60,951**
Gross Block	13,840	14,264	15,255	17,838	20,967	25,259	27,316	29,623	31,484
Less: Accum. Deprn.	5,439	6,092	6,857	8,126	9,655	11,512	13,874	16,351	18,948
Net Fixed Assets	**8,401**	**8,173**	**8,398**	**9,712**	**11,312**	**13,747**	**13,442**	**13,272**	**12,536**
Goodwill on Consolidation	659	626	655	240	285	293	293	293	293
Capital WIP	173	327	350	266	412	447	1,789	1,233	1,122
Total Investments	**334**	**287**	**249**	**1,270**	**1,834**	**2,234**	**2,234**	**2,234**	**2,234**
Curr. Assets, Loans&Adv.	**28,300**	**31,516**	**33,757**	**41,514**	**46,318**	**57,085**	**66,158**	**73,129**	**83,437**
Inventory	17,502	22,228	23,518	30,724	34,981	43,603	51,345	55,109	60,786
Account Receivables	6,196	4,867	6,113	6,744	6,758	7,520	8,984	10,102	11,176
Cash and Bank Balance	249	300	391	390	503	1,442	582	2,018	4,949
Loans and Advances	4,352	4,120	3,734	3,657	4,075	4,521	5,247	5,900	6,527
Curr. Liability & Prov.	**4,550**	**6,523**	**8,905**	**15,841**	**20,890**	**28,159**	**32,885**	**35,015**	**38,671**
Account Payables	2,608	5,036	7,031	10,928	12,300	17,726	19,748	20,244	22,329
Other Current Liabilities	1,602	1,137	1,459	4,711	8,367	10,131	12,755	14,342	15,867
Provisions	340	350	415	202	223	303	381	428	474
Net Current Assets	**23,750**	**24,993**	**24,851**	**25,673**	**25,429**	**28,926**	**33,273**	**38,114**	**44,767**
Appl. of Funds	**33,315**	**34,406**	**34,504**	**37,161**	**39,273**	**45,647**	**51,032**	**55,146**	**60,951**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS	**5.3**	**7.9**	**8.4**	**11.6**	**17.1**	**17.4**	**20.5**	**26.9**	**31.8**
Cash EPS	7.9	11.0	11.9	15.3	21.5	22.8	27.3	34.1	39.3
BV/Share	42.7	50.6	57.5	79.4	97.1	111.0	126.5	148.4	175.2
DPS	0.0	0.9	0.9	0.5	0.5	2.5	5.0	5.0	5.0
Payout (%)	0.0	11.7	10.9	4.3	2.9	14.3	24.4	18.6	15.7
Valuation (x)									
P/E	75.8	51.1	47.9	34.7	23.6	23.1	19.7	15.0	12.7
Cash P/E	50.7	36.6	33.7	26.4	18.8	17.7	14.8	11.8	10.3
P/BV	9.4	8.0	7.0	5.1	4.2	3.6	3.2	2.7	2.3
EV/Sales	3.8	3.3	2.8	2.1	1.9	1.7	1.3	1.2	1.0
EV/EBITDA	34.0	27.6	25.8	21.3	15.4	14.9	11.9	9.7	8.2
Dividend Yield (%)	0.0	0.2	0.2	0.1	0.1	0.6	1.2	1.2	1.2
FCF per share	11.3	10.0	10.5	3.3	16.0	6.4	3.4	18.3	21.4
Return Ratios (%)									
RoE	13.1	16.9	15.6	16.9	19.4	16.8	17.3	19.6	19.7
RoCE	9.4	10.7	10.8	13.1	16.0	15.2	16.0	18.3	19.2
RoIC	8.5	10.0	10.2	12.4	16.0	14.9	16.6	19.0	20.5
Working Capital Ratios									
Fixed Asset Turnover (x)	3.0	3.3	3.6	3.9	3.7	3.4	4.0	4.1	4.3
Asset Turnover (x)	1.2	1.4	1.6	1.9	2.0	1.9	2.1	2.2	2.2
Inventory (Days)	222	267	248	245	242	277	260	245	245
Debtor (Days)	55	37	41	35	32	32	30	30	30
Creditor (Days)	33	60	74	87	85	113	100	90	90
Leverage Ratio (x)									
Current Ratio	6.2	4.8	3.8	2.6	2.2	2.0	2.0	2.1	2.2
Interest Cover Ratio	2.8	5.2	6.8	7.0	9.5	9.0	10.0	22.5	67.5
Net Debt/Equity	1.2	0.9	0.6	0.3	0.1	0.1	0.1	0.0	-0.1

Consolidated - Cash Flow Statement (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	2,770	3,980	4,236	5,626	8,005	8,220	9,636	12,495	14,756
Depreciation	914	1,085	1,226	1,269	1,529	1,857	2,362	2,477	2,597
Interest & Finance Charges	1,298	861	676	821	830	877	312	-320	-744
Direct Taxes Paid	-789	-1,131	-1,074	-1,293	-1,522	-2,332	-2,585	-3,145	-3,714
(Inc)/Dec in WC	334	-537	-14	-3,390	-805	-3,745	-5,207	-3,404	-3,722
CF from Operations	**4,527**	**4,257**	**5,051**	**3,033**	**8,037**	**4,877**	**4,519**	**8,102**	**9,173**
Others	245	190	124	-449	-468	-252	70	0	0
CF from Operating incl EO	**4,772**	**4,447**	**5,175**	**2,584**	**7,569**	**4,625**	**4,589**	**8,102**	**9,173**
(Inc)/Dec in FA	-845	-990	-1,519	-1,438	-2,011	-2,391	-3,400	-1,750	-1,750
Free Cash Flow	**3,927**	**3,457**	**3,656**	**1,146**	**5,558**	**2,234**	**1,189**	**6,352**	**7,423**
(Pur)/Sale of Investments	-10	-8	-12	-2,516	-22	-122	0	0	0
Others	78	121	155	8	18	9	678	860	952
CF from Investments	**-777**	**-877**	**-1,377**	**-3,946**	**-2,015**	**-2,504**	**-2,722**	**-890**	**-798**
Issue of Shares	0	0	0	3,824	0	0	0	0	0
Inc/(Dec) in Debt	-2,478	-2,252	-2,781	-1,119	-3,741	2,173	0	-3,500	-3,500
Interest Paid	-1,309	-889	-475	-734	-724	-704	-990	-540	-208
Dividend Paid	-251	-320	-320	-160	-347	-1,040	-1,736	-1,736	-1,736
Others	0	0	0	-448	-567	-1,934	0	0	0
CF from Fin. Activity	**-4,038**	**-3,461**	**-3,575**	**1,363**	**-5,380**	**-1,504**	**-2,726**	**-5,776**	**-5,444**
Inc/Dec of Cash	**-43**	**108**	**223**	**1**	**175**	**617**	**-860**	**1,436**	**2,931**
Opening Balance	292	191	168	389	329	825	1,442	582	2,018
Closing Balance	**249**	**300**	**391**	**390**	**503**	**1,442**	**582**	**2,018**	**4,949**

E: MOFSL Estimates

Sundrop Brands

BSE Sensex	S&P CNX
85,063	26,179

CMP: INR725 | **Not Rated**

Financials Snapshot (INR b)

Y/E MARCH	FY23	FY24	FY25
Sales	8.5	7.6	9.0
EBITDA	0.4	0.3	0.3
Adj. PAT	149.8	77.3	368.5
EBITDA (%)	5.2	4.5	2.9
EPS (INR)	6.1	3.2	5.8
EPS Gr.%	(37.8)	(48.4)	83.8
BV/Sh. (INR)	199.3	204.8	138.3
Ratios			
Net D:E	0.1	0.0	0.0
RoE (%)	3.1	1.5	4.2
RoCE (%)	(4.3)	(2.4)	(5.3)
Payout (%)	0.5	-	0.4
Valuations			
P/E (x)	122.8	238.0	129.5
P/B (x)	3.8	3.7	5.5
EV/EBITDA (x)	42.7	54.5	52.7
Div. Yield (%)	0.0	-	0.0

From edible oils to snacks and beyond

Sundrop Brands, formerly known as Agro Tech Foods, is a prominent leader in India's popcorn-based snacks and peanut butter categories. Its diverse portfolio includes three key brands – Sundrop, ACT II, and Del Monte – offering an extensive range of products such as RTE and RTC snacks, spreads and dips, edible oils, and an Italian - inspired product line. The company boasts a robust pan-India distribution network, reaching approximately 0.5m outlets through ~1,800 distributors, supported by nine owned manufacturing facilities. In FY25, Sundrop Brands strategically expanded its footprint by acquiring Del Monte Foods, whose complementary portfolio has strengthened the company's presence across channels. While Sundrop and ACT II maintain a strong retail presence, Del Monte contributes nearly 60% of its sales from the B2B segment. With increasing consumer demand for protein-rich products, Sundrop Brands is well-positioned for sustained growth in the medium term. Sundrop Brands recorded largely flat growth, with revenue/EBITDA/PAT CAGR of 1%/-14%/1% over FY19-25.

Well diversified portfolio with popcorn (Act II) commanding 90% market share

Sundrop Brands portfolio including Sundrop, ACT II, and Del Monte covers snacks, breakfast cereals, sauces, & edible oils. Core categories, led by Sundrop's snacks and Del Monte's dips & spreads, account for about 64% of revenue. ACT II popcorn holds over 90% market share. In FY25, growth was driven by RTC and RTE snacks, with RTE popcorn up 42%, and premium staples rising 7%, 30%, and 4%, while spreads, dips, cereals, chocolates, and mass staples declined. The company has exited the chocolate and confectionery segment. With GST rationalization to 5%, Sundrop aims for double-digit volume growth for ACT II in FY26. While edible oil sales remain volatile due to rising input costs, the company has a strong strategy to expand adjacent categories like peanut butter and oats.

Del Monte Acquisition to enhance distribution prowess

In Nov'24, Sundrop Brands acquired Del Monte Foods, gaining a perpetual license for the Del Monte brand in India and access to its complementary portfolio of sauces and Italian products. Del Monte reported INR6,161m in revenue for FY25 and draw ~60% sales from B2B/ HORECA and food service channel and ~15% from MT. The acquisition provides access to 25K+ food service outlets and partnerships with leading pizza and burger QSR chains.

Future plans

Sundrop Brands plans to expand in RTE through more snacking formats, including both on-the-go and in-the-home formats. While there are strong cross selling opportunity with complementary portfolio of Del Monte in retail channel, the consolidation of distribution channel including CFAs provide synergy benefits. Over the next 3-5 years, management aims to grow ahead of industry with double digit EBITDA margins with no significant capex requirements.

Financials and valuations

Consolidated Income Statement (INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Net Sales	**8,235**	**8,351**	**8,917**	**9,160**	**8,485**	**7,597**	**8,989**
Change (%)		*1.4*	*6.8*	*2.7*	*-7.4*	*-10.5*	*18.3*
Raw Materials	*5,620*	*5,709*	*6,179*	*6,372*	*5,608*	*4,701*	*5,708*
Gross Profit	**2,615**	**2,642**	**2,738**	**2,788**	**2,877**	**2,895**	**3,281**
Employee Cost	457	436	482	486	497	645	809
Other Expenses	1,513	1,625	1,658	1,768	1,938	1,909	2,209
Total Expenses	**7,589**	**7,770**	**8,319**	**8,626**	**8,042**	**7,255**	**8,726**
% of Net Sales	92	93	93	94	95	96	97
EBITDA	**646**	**581**	**598**	**534**	**443**	**342**	**263**
EBITDAM (%)	*7.8*	*7.0*	*6.7*	*5.8*	*5.2*	*4.5*	*2.9*
Depn. & Amortization	168	188	180	204	212	212	257
EBIT	**478**	**393**	**418**	**330**	**230**	**130**	**5**
Net Interest	1	18	18	24	32	29	17
Other income	38	34	19	27	5	15	23
PBT Before EO Exp	**515**	**409**	**419**	**333**	**204**	**116**	**11**
EO expense	0	0	0	20	0	27	-1,468
PBT after EO	**515**	**409**	**419**	**353**	**204**	**143**	**-1,456**
Tax	176	70	117	92	54	39	-357
Rate (%)	34.2	17.1	27.8	26.1	26.5	27.2	24.5
Reported PAT	**339**	**339**	**303**	**261**	**150**	**104**	**-1,099**
Change (%)		0	-11	-14	-43	-30	-1,156
Adjusted PAT	**339**	**339**	**303**	**241**	**150**	**77**	**369**
Change (%)		*0.0*	*-10.7*	*-20.5*	*-37.8*	*-48.4*	*376.8*

Consolidated Balance Sheet (INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Share Capital	244	244	244	244	244	244	377
Reserves	3,514	3,832	4,096	4,358	4,614	4,748	14,007
Net Worth	**3,758**	**4,075**	**4,339**	**4,601**	**4,858**	**4,992**	**14,384**
Minority Interest							
Total Loans	0	38	0	385	520	335	0
Deferred Tax Liability	132	92	110	134	154	172	249
Capital Employed	**3,890**	**4,205**	**4,449**	**5,121**	**5,532**	**5,499**	**14,633**
Gross Block	2,179	2,687	3,685	3,888	4,088	4,435	16,815
Less: Accum. Deprn.	464	648	819	974	1,123	1,321	3,828
Net Fixed Assets	**1,714**	**2,039**	**2,867**	**2,914**	**2,965**	**3,115**	**12,987**
Capital WIP	120	550	78	101	261	297	16
Other Non-Current Assets	519	324	244	228	228	228	1
Curr. Assets	**2,378**	**2,197**	**2,306**	**2,979**	**3,000**	**2,850**	**4,166**
Inventory	838	775	1,214	1,606	1,647	1,447	1,946
Account Receivables	809	747	371	793	691	670	980
Cash and Cash Equivalents	**37**	**34**	**88**	**20**	**39**	**97**	**483**
Other Current Assets	155	228	251	144	133	109	47
Others	539	414	381	416	489	528	710
Curr. Liability & Prov.	**842**	**906**	**1,046**	**1,101**	**923**	**991**	**2,537**
Account Payables	688	549	693	768	619	685	1,781
Provisions & Others	154	357	353	334	303	306	756
Net Curr. Assets	**1,536**	**1,291**	**1,260**	**1,878**	**2,077**	**1,860**	**1,629**
Appl. of Funds	**3,890**	**4,205**	**4,449**	**5,121**	**5,532**	**5,499**	**14,633**

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Basic (INR)							
Adjusted EPS	13.9	13.9	12.4	9.9	6.1	3.2	5.8
Growth (%)		**0.0**	**-10.7**	**-20.5**	**-37.8**	**-48.4**	**83.8**
Cash EPS	20.8	21.7	19.8	18.2	14.9	11.9	16.6
BV/Share	154.2	167.2	178.1	188.8	199.3	204.8	138.3
DPS	2.9	2.9	2.9	3.0	3.0	0.0	2.5
Payout (%)	0.2	0.2	0.2	0.3	0.5	0.0	0.4
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)							
P/E	54.3	54.2	60.7	76.4	122.8	238.0	129.5
Cash P/E	36.3	34.9	38.1	41.4	50.8	63.7	45.5
P/BV	4.0	3.4	3.8	5.0	3.8	3.7	5.5
EV/EBITDA	22.6	23.3	27.4	44.2	42.7	54.5	52.7
Return Ratios (%)							
EBITDA Margin (%)	7.8	7.0	6.7	5.8	5.2	4.5	2.9
Net Profit Margin (%)	4.1	4.1	3.4	2.6	1.8	1.0	4.1
RoE	9.0	8.3	7.0	5.2	3.1	1.5	4.2
RoCE (post-tax)	-12.7	-9.6	-9.6	-6.6	-4.3	-2.4	-5.3
RoIC (post-tax)	14.2	10.0	10.0	6.6	4.3	2.5	5.0
Working Capital Ratios							
Fixed Asset Turnover (x)	4.8	4.1	3.1	3.1	2.9	2.4	0.7
Asset Turnover (x)	2.1	2.0	2.0	1.8	1.5	1.4	0.6
Inventory (Days)	37	34	50	64	71	70	79
Debtor (Days)	36	33	15	32	30	32	40
Payable (Days)	30	24	28	31	27	33	72
Cash conversion Cycle (Days)	42	43	37	65	74	69	47

Consolidated Cash flow statement (INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25
EBT	**515**	**409**	**420**	**353**	**204**	**131**	**-1,456**
WC	-145	-12	73	-733	-166	247	583
Others	143	161	237	185	248	207	1,673
Direct taxes (net)	-189	-118	-102	-93	-62	26	45
CF from Op. Activity	**324**	**440**	**627**	**-288**	**224**	**611**	**844**
Capex	-283	-678	-513	-271	-425	-361	-211
FCFF	**41**	**-238**	**113**	**-560**	**-201**	**251**	**633**
Interest income	12	0	3	1	0	2	6
Others	-104	229	69	16	1	-4	7
CF from Inv. Activity	**-375**	**-449**	**-441**	**-254**	**-424**	**-363**	**-198**
Borrowings	0	32	-64	366	121	-200	-358
Finance cost	-1	-21	-20	-24	-32	-29	-16
Dividend	-71	-71	-71	-71	-71	-73	-73
Others	85	66	24	72	202	112	0
CF from Fin. Activity	**13**	**6**	**-131**	**343**	**220**	**-189**	**-447**
(Inc)/Dec in Cash	**-38**	**-3**	**55**	**-200**	**19**	**59**	**199**
Opening balance	70	32	30	84	16	35	86
Opening balance	0	0	0	0	0	0	186
Closing balance	**32**	**30**	**84**	**-116**	**35**	**94**	**471**

Key private players in snacks & beverages industry

PepsiCo India

- PepsiCo India, a subsidiary of the global parent PepsiCo, entered the Indian market in 1989, offering beverages like *Pepsi*, *7UP*, *Tropicana*, and popular snacks including *Lay's*, *Kurkure*, and *Cheetos*, with an emphasis on sustainable growth and local sourcing.
- Its diverse product portfolio spans beverages, snacks, and health-oriented offerings with iconic brands such as *Pepsi*, *Mountain Dew*, *Lay's*, *Doritos*, *Tropicana*, and *Aquafina*, catering to everyday and premium consumers.
- Recently, PepsiCo entered the premium snacks market with the launch of *Red Rock Deli Chips*, priced at INR60 for 58g and INR125 for 75g.
- Financially, PepsiCo India's net sales increased from INR78b in FY15 to INR91b in FY24, with an improving gross margin of 50.2%, an EBITDA margin increase to 15.6%, and a positive PAT of INR9b in FY24. Return on equity (ROE) and return on capital employed (ROCE) stood at 21.7% and 27.0%, respectively.
- Efficient working capital management enables negative cash conversion cycles, supporting sustained free cash flow and operational efficiency.

Exhibit 229: Product portfolio

Source: Company, MOFSL

Consolidated income statement — INR m

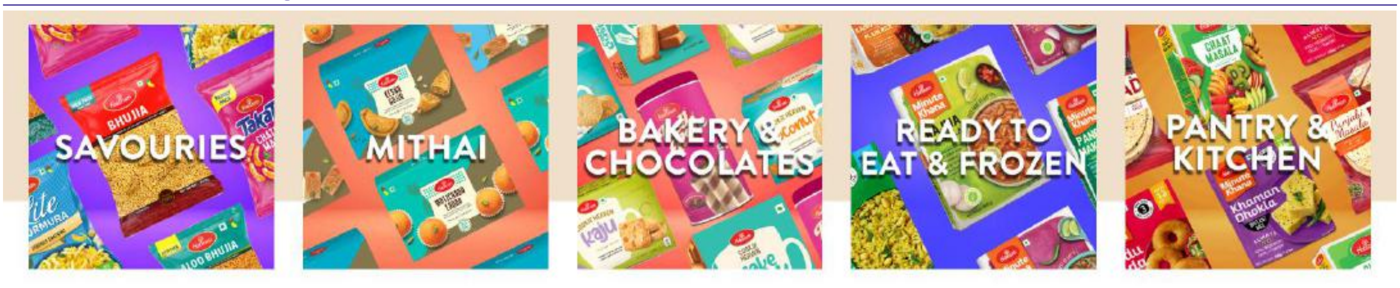
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**78,102**	**67,085**	**65,529**	**61,061**	**62,529**	**54,346**	**52,510**	**63,858**	**82,032**	**90,966**
Change (%)		-14.1	-2.3	-6.8	2.4	-13.1	-3.4	21.6	28.5	10.9
Gross Profit	**38,211**	**36,139**	**33,696**	**30,857**	**30,367**	**25,952**	**23,993**	**28,544**	**36,831**	**45,700**
Gross Margin (%)	48.9	53.9	51.4	50.5	48.6	47.8	45.7	44.7	44.9	50.2
EBITDA	**862**	**1,682**	**1,608**	**3,891**	**3,244**	**2,786**	**3,311**	**2,856**	**6,661**	**14,189**
EBITDA Margin (%)	1.1	2.5	2.5	6.4	5.2	5.1	6.3	4.5	8.1	15.6
Reported PAT	**-1,554**	**-1,033**	**-1,166**	**2,029**	**126**	**4,345**	**1,753**	**416**	**2,674**	**8,834**
PAT Margin (%)	-2.0	-1.5	-1.8	3.3	0.2	8.0	3.3	0.7	3.3	9.7

Source: MCA, MOFSL

Haldiram Snacks Food

- Established in 1937 in Bikaner, Haldiram Foods grew from a small namkeen shop into a diversified Indian food brand operating in snacks, sweets, RTE meals, frozen foods, beverages, and bakery products with a presence in 80+ countries.
- Haldiram Snacks (Delhi business) and Haldiram Foods International (Nagpur business) concluded the merger of their operations in April 2025, to form Haldiram Snacks Food. As part of the merger, Delhi and Nagpur unit hold 56% and 44% stake in the combined entity.
- Recently, Temasek and Alphawave acquired a stake totaling ~16% in Haldiram Snacks Food, valuing the entity at INR933b, at an EV/Revenue multiple of ~7.5x on FY25 financials, excluding the QSR business.
- Haldiram Snacks Food offers 410+ SKUs across ethnic snacks (64%), western snacks (14%), sweets (8%), RTE meals (4%), and beverages/others (11%), and has a retail reach ~46% in India.
- **Haldiram Snacks Food (Combined business)**: Net sales increased from INR65b to INR129b, growing at a CAGR of 12%, with EBITDA margins averaging 19%. The management expects revenue to grow at 15% CAGR to reach INR259b in FY30, driven by deepening penetration in underpenetrated states, with stable EBITDA margin of ~18%.
- **Haldiram Snacks (Delhi business)**: Net sales increased steadily from INR31b in FY19 to INR68b in FY24, growing at a CAGR of 17% over the 5 years.
- **Haldiram Foods International (Nagpur business)**: Net sales increased steadily from INR14b in FY15 to INR45b in FY24, with gross margin averaging ~34%, EBITDA margin rising to 17%, and PAT margin reaching 13%, demonstrating strong operational performance and profitability.

Exhibit 230: Product categories



Source: Company, MOFSL

Consolidated income statement INR m

	Haldiram Foods International				Haldiram Snacks				Haldiram Snacks Food				
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY21**	**FY22**	**FY23**	**FY24**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Net Sales	**29,185**	**35,492**	**41,052**	**45,508**	**42,336**	**51,954**	**63,746**	**68,020**	**79,464**	**87,118**	**102,770**	**111,112**	**124,700**
Change (%)	8.5	21.6	15.7	10.9	13.6	22.7	22.7	6.7	10.8	9.6	18.0	8.1	12.2
Gross Profit	**9,748**	**10,106**	**11,889**	**15,564**	**14,223**	**16,138**	**21,776**	**-**	-	-	-	-	-
Gross Margin (%)	33.4	28.5	29	34.2	33.6	31.1	34.2	-	-	-	-	-	-
EBITDA	**5,385**	**4,975**	**6,005**	**7,880**	**6,162**	**6,356**	**9,647**	**-**	**15,098**	**13,939**	**18,499**	**23,334**	**22,446**
EBITDA Margin (%)	18.5	14	14.6	17.3	14.6	12.2	15.1	-	19.0	16.0	18.0	21.0	18.0
Reported PAT	**3,784**	**3,563**	**4,362**	**5,974**	**3,777**	**3,408**	**5,932**	**-**	**-**	**-**	**-**	**-**	**-**
PAT Margin (%)	13	10	10.6	13.1	8.9	6.6	9.3	-	-	-	-	-	-

Note: - indicates Data not available, 1$=INR86, Source: MCA, Company, MOFSL

Balaji Wafers

- Founded in the 1980s in Rajkot, Gujarat, by the Virani brothers, Balaji Wafers started as a small potato chips business operating from a cinema canteen and steadily evolved into one of India's leading snack manufacturers.
- The company blends authentic regional flavors with modern snacking trends, focusing on geographic expansion, stronger distribution networks, and continuous product innovation.
- Balaji's product portfolio includes 90+ items such as *Masala Masti*, *Cream & Onion*, *Aloo Sev*, and *Chikki*, targeting children, youth, families, and value-conscious consumers across urban and semi-urban India.
- 65% of Balaji's revenues are from West India with management planning to expand its presence in the Central region followed by the South (ex. Karnataka) and East. Currently, Balaji has a market share of ~8-10% in Uttar Pradesh.
- The brand has a wide distribution across modern retail, kiranas, 1,250 distributors, and over 500,000 retail outlets, along with an international presence in the UAE, the US, and Europe, aided by active digital marketing campaigns.
- Financially, Balaji reported revenue growth from INR13b in FY15 to INR55b in FY24, delivering an 18% CAGR, with improved profitability evidenced by a 15.7% EBITDA margin and INR6b PAT in FY24.
- Return ratios are robust, with ROE at 27.3% and ROCE at 35.5%, reflecting efficient asset utilization and a lean cash conversion cycle enabling strong operational performance.

Exhibit 231: Product categories

Source: Company, MOFSL

Consolidated income statement INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**12,457**	**14,055**	**16,130**	**18,400**	**19,723**	**23,360**	**29,386**	**40,029**	**49,249**	**54,537**
Change (%)		12.8	14.8	14.1	7.2	18.4	25.8	36.2	23.0	10.7
Gross Profit	**2,584**	**4,043**	**3,943**	**4,958**	**4,386**	**4,951**	**4,488**	**5,092**	**9,960**	**12,839**
Gross Margin (%)	20.7	28.8	24.4	26.9	22.2	21.2	15.3	12.7	20.2	23.5
EBITDA	**1,495**	**2,862**	**2,418**	**3,289**	**2,512**	**2,402**	**1,480**	**1,512**	**6,500**	**8,544**
EBITDA Margin (%)	12.0	20.4	15.0	17.9	12.7	10.3	5.0	3.8	13.2	15.7
Reported PAT	**761**	**1,818**	**1,455**	**1,931**	**1,277**	**1,320**	**254**	**73**	**4,094**	**5,788**
PAT Margin (%)	6.1	12.9	9.0	10.5	6.5	5.7	0.9	0.2	8.3	10.6

Source: MCA, MOFSL

Bikanervala Foods

- Bikanervala Foods has established a strong brand presence since 1905, expanding from a traditional sweet shop to a global vegetarian food leader with over 225 outlets and significant FMCG operations through *Bikano*.
- Bikanervala's extensive distribution network spans retail, e-commerce, and exports to over 30 countries, enabling diversified consumer reach and product accessibility.
- Bikanervala is actively expanding internationally, with new outlets in markets like the UK, US, UAE, and Singapore, and aims to grow exports, targeting a turnover of INR18b in the next few years.
- Financially, the company's revenue grew from INR5b in FY15 to INR13b in FY24, with EBITDA margin bouncing back to 10.7%, reflecting operational resilience.

Consolidated income statement — INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**4,926**	**5,315**	**6,739**	**7,871**	**9,501**	**10,403**	**9,856**	**10,176**	**12,106**	**13,163**
Change (%)		7.9	26.8	16.8	20.7	9.5	-5.3	3.2	19.0	8.7
Gross Profit	**1,938**	**2,187**	**2,738**	**3,305**	**3,853**	**4,002**	**3,729**	**3,247**	**3,749**	**4,555**
Gross Margin (%)	39.4	41.2	40.6	42.0	40.6	38.5	37.8	31.9	31.0	34.6
EBITDA	**443**	**542**	**650**	**888**	**942**	**822**	**1,014**	**593**	**840**	**1,407**
EBITDA Margin (%)	9.0	10.2	9.6	11.3	9.9	7.9	10.3	5.8	6.9	10.7
Reported PAT	**199**	**222**	**307**	**454**	**460**	**274**	**350**	**282**	**201**	**459**
PAT Margin (%)	4.0	4.2	4.6	5.8	4.8	2.6	3.6	2.8	1.7	3.5

Source: MCA, MOFSL

Laxmi Snacks

- Established in 1989 in Anand, Gujarat, Laxmi Snacks operates under the brand REAL, Laxmi Snacks is known for manufacturing traditional Indian snacks.
- The product portfolio includes namkeens, wafers, potato chips, and baked snacks, catering to both daily consumption and festive occasions.
- The company has established a strong presence across Gujarat and other states, supported by an extensive distribution network encompassing modern trade and e-commerce channels.
- Net sales increased from INR3b in FY15 to INR9b in FY24, with gross margin rising to 26.9%. EBITDA and PAT margins stabilized around 9.7% and 6.9%, respectively, supported by efficient asset turnover and controlled cash conversion cycles.

Consolidated income statement — INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**2,849**	**3,081**	**3,623**	**4,146**	**4,720**	**5,181**	**5,819**	**7,656**	**8,453**	**8,848**
Change (%)		8.1	17.6	14.4	13.8	9.8	12.3	31.6	10.4	4.7
Gross Profit	**590**	**808**	**670**	**963**	**1,009**	**1,027**	**885**	**1,053**	**2,090**	**2,381**
Gross Margin (%)	20.7	26.2	18.5	23.2	21.4	19.8	15.2	13.8	24.7	26.9
EBITDA	**467**	**416**	**269**	**474**	**413**	**350**	**129**	**59**	**961**	**856**
EBITDA Margin (%)	16.4	13.5	7.4	11.4	8.8	6.8	2.2	0.8	11.4	9.7
Reported PAT	**273**	**222**	**89**	**254**	**202**	**257**	**24**	**-48**	**550**	**609**
PAT Margin (%)	9.6	7.2	2.5	6.1	4.3	5.0	0.4	-0.6	6.5	6.9

Source: MCA, MOFSL

Lal Sweets

- Lal Sweets, founded in 2010 in Bengaluru by Prateek and Gulab Athwani, offers a diverse product portfolio featuring traditional Indian sweets like *Laddoos*, *Barfis*, *Halwas*, and *Rasgullas*, along with regional specialties such as *Mysore Pak* and *peda* and has also expanded into the bakery and snacks categories.
- The brand has an omnichannel presence across modern trade, general trade (~20,000 outlets), airports (~25 stores under the *Mithai Box* brand), and online/quick commerce platforms, focusing on national expansion to increase accessibility to Mithai Box.
- Strong financial growth has been achieved with net sales rising from INR42m in FY15 to INR1,286m in FY24, gross margin improving to ~54%, EBITDA margin expanding to 29.3%, and PAT margin reaching 22.1%, reflecting operational efficiency and profitability.
- In 2024, Lal Sweets raised growth capital from Motilal Oswal to scale distribution and expand nationally, marking a key milestone in its growth trajectory.

Consolidated income statement — INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**42**	**81**	**124**	**168**	**303**	**438**	**396**	**603**	**835**	**1,286**
Change (%)		93.8	53.6	35.4	80.7	44.6	-9.6	52.2	38.6	53.9
Gross Profit	**13**	**27**	**45**	**73**	**146**	**239**	**212**	**294**	**423**	**693**
Gross Margin (%)	30.9	33.7	36.0	43.4	48.2	54.6	53.6	48.8	50.6	53.9
EBITDA	**1**	**2**	**7**	**14**	**37**	**72**	**50**	**97**	**184**	**377**
EBITDA Margin (%)	2.3	3.0	5.3	8.5	12.4	16.3	12.7	16.1	22.0	29.3
Reported PAT	**0**	**1**	**4**	**10**	**25**	**51**	**36**	**70**	**139**	**285**
PAT Margin (%)	0.7	1.4	3.1	5.8	8.1	11.7	9.0	11.6	16.7	22.1

Source: MCA, MOFSL

Archian Foods

- Archian Foods, founded in 2017 and led by three cousins, has rapidly scaled its flagship Lahori Zeera brand especially in North India, by tapping into India's mass preference for authentic "*desi*" flavors; the recent growth investment from Motilal Oswal Alternates strengthens its ability to expand capacity, deepen distribution, and accelerate exports amid strong consumer demand.
- The company has developed a strong, affordable beverage portfolio led by its flagship Lahori Zeera, complemented by regional flavors and is now expanding into higher-value SKUs to deepen penetration across rural and urban markets.
- The company has scaled rapidly, with revenues growing from ~INR400–450m in FY17 to ~INR2,300–2,500m in FY24, driven by rising demand for Indian-flavored sparkling beverages, capacity expansion, and wider geographic reach.

Consolidated income statement — INR m

Y/E March	FY23	FY24
Net Sales	**2,125**	**3,116**
Change (%)		46.7
Gross Profit	**765**	**1,273**
Gross Margin (%)	36.0	40.8
EBITDA	**289**	**411**
EBITDA Margin (%)	13.6	13.2
Reported PAT	**76**	**226**
PAT Margin (%)	3.6	7.2

Source: MCA, MOFSL

Key private players in biscuit and bakery industry

Parle Product

- Established in 1929 in Mumbai, Parle Products initially started as a bakery and has since become iconic for its biscuits such as Parle-G, operating multiple plants and contract manufacturing across India.
- The company's diverse portfolio includes *Parle-G*, *Monaco*, *Krackjack*, *Hide & Seek*, *Milano*, and *20-20 Cookies*, targeting both mass and premium segments.
- The brand reaches ~4m retailers monthly through direct supply and contract manufacturing, ensuring 'nationwide' availability across urban and rural markets.
- From FY15 to FY24, Parle's net sales grew from INR91b to INR163 b with a 33–35% gross margin, 11.5% EBITDA margin in FY24, while strong operational metrics—ROA 18.3%, ROE 23.2%, ROCE 30.4%, and a 27-day cash conversion cycle—reflect efficient performance.

Consolidated income statement INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**90,973**	**95,697**	**1,02,877**	**1,09,705**	**1,16,952**	**1,22,916**	**1,49,233**	**1,62,019**	**1,64,501**	**1,62,907**
Change (%)		5.2	7.5	6.6	6.6	5.1	21.4	8.6	1.5	-1.0
Gross Profit	**31,142**	**48,185**	**48,218**	**37,840**	**39,610**	**44,367**	**52,887**	**45,330**	**49,905**	**56,636**
Gross Margin (%)	34.2	50.4	46.9	34.5	33.9	36.1	35.4	28.0	30.3	34.8
EBITDA	**5,946**	**7,181**	**3,329**	**5,712**	**6,177**	**9,791**	**16,211**	**2,801**	**12,453**	**18,701**
EBITDA Margin (%)	6.5	7.5	3.2	5.2	5.3	8.0	10.9	1.7	7.6	11.5
Reported PAT	**4,184**	**5,226**	**3,752**	**4,786**	**4,874**	**6,992**	**13,806**	**2,556**	**9,029**	**18,320**
PAT Margin (%)	4.6	5.5	3.6	4.4	4.2	5.7	9.3	1.6	5.5	11.2

Source: MCA, MOFSL

Surya Foods & Agro

- Founded in 1992 and headquartered in Noida, Surya Foods and Agro Ltd, known for its Priyagold brand, produces a wide range of biscuits, cakes, cookies, chocolates, wafers, rusks, & confectionery for value & mid-premium segments.
- Biscuits remain the core category, contributing a major share of revenue, with strong presence in northern, western, and eastern India, supported by growing exports to over 35 countries across Africa, the Middle East, and Southeast Asia.
- Surya Foods operates multiple large-scale manufacturing facilities in Greater Noida, Surat, Lucknow, and other locations, with an estimated combined capacity of over 400,000 MTPA, backed by a distribution network of 3,500+ stockists and 500,000+ retail touchpoints.
- Surya Foods and Agro delivered steady growth, with revenue rising from INR 7.6b in FY15 to INR18.3b in FY24, while profitability improved post-pandemic, with EBITDA margins recovering to 9.1%

Consolidated income statement INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**7,586**	**7,729**	**10,633**	**11,252**	**12,862**	**12,797**	**11,976**	**12,299**	**15,315**	**18,267**
Change (%)		1.9	37.6	5.8	14.3	-0.5	-6.4	2.7	24.5	19.3
Gross Profit	**2,542**	**2,927**	**3,117**	**3,816**	**4,289**	**4,147**	**4,212**	**3,758**	**5,486**	**7,196**
Gross Margin (%)	33.5	37.9	29.3	33.9	33.3	32.4	35.2	30.6	35.8	39.4
EBITDA	**745**	**875**	**1,003**	**1,371**	**1,334**	**1,186**	**1,564**	**687**	**889**	**1,669**
EBITDA Margin (%)	9.8	11.3	9.4	12.2	10.4	9.3	13.1	5.6	5.8	9.1
Reported PAT	**446**	**503**	**698**	**867**	**1,196**	**800**	**1,157**	**949**	**668**	**1,238**
PAT Margin (%)	5.9	6.5	6.6	7.7	9.3	6.3	9.7	7.7	4.4	6.8

Source: MCA, MOFSL

SAJ Food Products

- Set up in 2000, SAJ Food Products operates the *Bisk Farm* brand, offering biscuits, cakes, cookies, and rusks primarily in Eastern and Northeastern India, with gradual pan-India and international expansion to Bhutan and Nepal.
- The company offers a diverse product portfolio, including biscuits, biscuits, crackers, cakes, cookies, rusks, confectionery, and the *Indiaah* brand for namkeens, Indian sweets, catering to regional value-conscious consumers.
- Its distribution network comprises 192 super stockists, 1,257 distributors, 330,000 retail outlets, and "Just Baked" stores; marketing strategies include celebrity endorsements, and affordable packaging to boost brand visibility.
- From FY15 to FY24, revenue grew from INR6b to INR16b with a 43.3% gross margin, EBITDA and PAT margins of 16.3% and 11.1%, and strong returns (ROE 31.7%, ROCE 40.4%) despite moderated asset turnover and volatile free cash flow peaking at INR2.1b.

Consolidated income statement INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**6,109**	**6,645**	**7,693**	**8,861**	**9,697**	**11,385**	**12,513**	**14,306**	**17,150**	**15,857**
Change (%)		8.8	15.8	15.2	9.4	17.4	9.9	14.3	19.9	-7.5
Gross Profit	**2,287**	**2,622**	**2,611**	**3,513**	**3,473**	**4,103**	**4,619**	**4,583**	**6,259**	**6,871**
Gross Margin (%)	37.4	39.5	33.9	39.6	35.8	36.0	36.9	32.0	36.5	43.3
EBITDA	**342**	**385**	**222**	**452**	**316**	**693**	**1,548**	**980**	**1,926**	**2,591**
EBITDA Margin (%)	5.6	5.8	2.9	5.1	3.3	6.1	12.4	6.8	11.2	16.3
Reported PAT	**112**	**130**	**65**	**168**	**23**	**327**	**1,047**	**559**	**1,243**	**1,767**
PAT Margin (%)	1.8	2.0	0.8	1.9	0.2	2.9	8.4	3.9	7.2	11.1

Source: MCA, MOFSL

Anmol Industries

- Set up in 1994, Anmol Industries is a leading Indian packaged food company with a focus on biscuits, which make up 90% of its portfolio, exporting 27 varieties to 34 countries and includes a wide range of biscuits, cakes, cookies, rusks, and wafers, catering to daily consumption, celebrations, and indulgence.
- The company focuses on eastern and northern India, including rural and semi-urban areas, while exporting to West Asia, North America, and other regions, targeting consumers seeking quality, variety, and affordability.
- It operates eight manufacturing plants with a combined capacity of 366,092 MTPA, including a newly commissioned plant in Bihar that adds 8,000 MTPA, supported by distribution network of 3,000 super-stockists and distributors.
- From FY15 to FY24, net sales grew from INR2.7b to INR14.2b, with gross profit reaching INR5.5b (38.6% margin) and PAT at INR1.2b (8.6%). EBITDA and returns remained strong but volatile, with ROE at 22.9% and ROCE at 25.5%.

Consolidated income statement INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**2,730**	**2,924**	**12,363**	**11,074**	**10,842**	**12,022**	**13,182**	**13,352**	**16,045**	**14,229**
Change (%)		7.1	322.8	-10.4	-2.1	10.9	9.7	1.3	20.2	-11.3
Gross Profit	**890**	**1,305**	**3,889**	**4,131**	**3,549**	**3,659**	**4,551**	**3,742**	**5,605**	**5,492**
Gross Margin (%)	32.6	44.6	31.5	37.3	32.7	30.4	34.5	28.0	34.9	38.6
EBITDA	**579**	**968**	**1,354**	**1,595**	**872**	**957**	**1,457**	**369**	**2,067**	**1,688**
EBITDA Margin (%)	21.2	33.1	11.0	14.4	8.0	8.0	11.1	2.8	12.9	11.9
Reported PAT	**444**	**591**	**715**	**824**	**990**	**1,048**	**857**	**68**	**1,266**	**1,221**
PAT Margin (%)	16.3	20.2	5.8	7.4	9.1	8.7	6.5	0.5	7.9	8.6

Source: MCA, MOFSL

Bimbo Bakeries India

- Incorporated in 1998 and based in Rajasthan, Bimbo Bakeries is a subsidiary of global bakery giant Grupo Bimbo, offering a wide range of baked goods, including breads, buns, rolls, pavs, cakes, cookies, tortillas, rusks, and sweet baked items under the Harvest Gold, Modern Foods, and Kitty Bread brands.
- The company operates 12 state-of-the-art manufacturing plants, employs over 7,000 employees, serving both retail and institutional segments, such as QSRs, HoReCa, schools, and hospitals, via an extensive national distribution network.
- From FY15 to FY24, net sales surged from INR859m to INR13,812m, driven by strong expansion post-FY21. Gross profit increased to INR6,921m (50.1% margin), EBITDA reached INR787m (5.7%), and PAT stood at INR809m (5.9%).
- Return ratios moderated, with ROE at 6.1% and ROCE at 2.0%, impacted by declining asset turnover and fluctuating FCF amid high wc requirements.

Consolidated income statement INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**859**	**2,770**	**2,788**	**3,436**	**3,908**	**4,338**	**5,027**	**9,788**	**12,890**	**13,812**
Change (%)		222.5	0.6	23.2	13.8	11.0	15.9	94.7	31.7	7.2
Gross Profit	**321**	**772**	**917**	**1,673**	**1,881**	**2,172**	**2,615**	**4,737**	**6,074**	**6,921**
Gross Margin (%)	37.4	27.9	32.9	48.7	48.1	50.1	52.0	48.4	47.1	50.1
EBITDA	**124**	**137**	**180**	**246**	**322**	**347**	**330**	**780**	**901**	**787**
EBITDA Margin (%)	14.4	4.9	6.4	7.2	8.2	8.0	6.6	8.0	7.0	5.7
Reported PAT	**65**	**65**	**84**	**169**	**223**	**207**	**140**	**290**	**294**	**809**
PAT Margin (%)	7.6	2.3	3.0	4.9	5.7	4.8	2.8	3.0	2.3	5.9

Source: MCA, MOFSL

Sona Biscuits

- Established in 1992 and headquartered in Kolkata, Sona Biscuits Ltd, known for its Sobisco brand, manufactures biscuits, cookies, cakes, rusks, and wafers across economy and mid-range segments in the packaged foods market.
- Sobisco has a strong foothold in eastern and northern India, particularly in West Bengal, Bihar, Jharkhand, and Odisha, with expanding presence across central and southern markets through a robust distribution network of over 2,000 distributors and 400,000+ retail outlets.
- The company operates five manufacturing facilities located across West Bengal and Bihar, with a combined production capacity of over 300,000 MTPA.
- Sobisco has delivered strong scale-up, with revenue rising from INR1.3b in FY15 to INR10.4b in FY24. Profitability improved notably, with EBITDA margin expanding to 10.1% and PAT reaching INR580m in FY24, reflecting enhanced operating efficiency and stronger brand performance.

Consolidated income statement INR m

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Net Sales	**1,277**	**1,231**	**1,377**	**1,250**	**1,795**	**3,084**	**6,423**	**9,092**	**10,525**	**10,428**
Change (%)		-3.6	11.9	-9.3	43.7	71.8	108.2	41.6	15.8	-0.9
Gross Profit	**390**	**501**	**545**	**441**	**533**	**730**	**1,845**	**2,029**	**3,003**	**3,322**
Gross Margin (%)	30.6	40.7	39.5	35.3	29.7	23.7	28.7	22.3	28.5	31.9
EBITDA	**64**	**161**	**138**	**82**	**60**	**76**	**569**	**304**	**762**	**1,052**
EBITDA Margin (%)	5.0	13.0	10.0	6.5	3.3	2.5	8.9	3.3	7.2	10.1
Reported PAT	**6**	**92**	**27**	**18**	**6**	**13**	**367**	**155**	**312**	**580**
PAT Margin (%)	0.4	7.4	1.9	1.5	0.3	0.4	5.7	1.7	3.0	5.6

Source: MCA, MOFSL

NOTES

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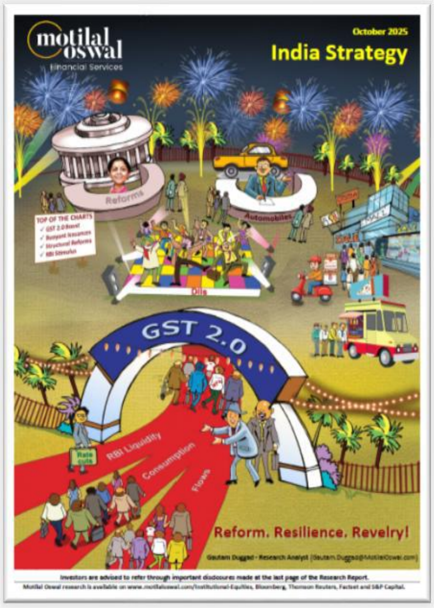

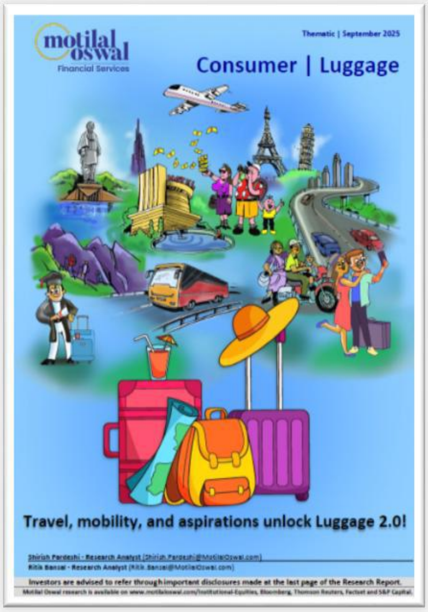

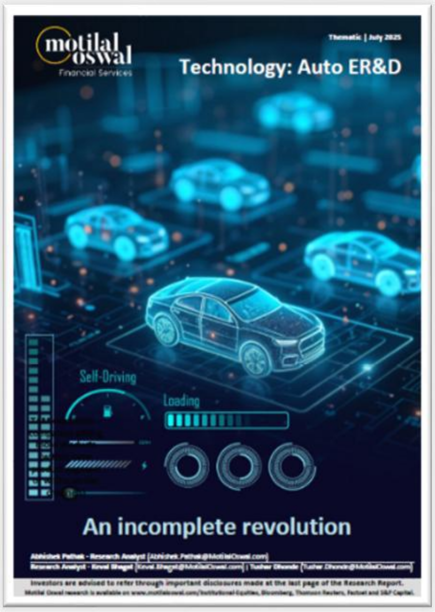

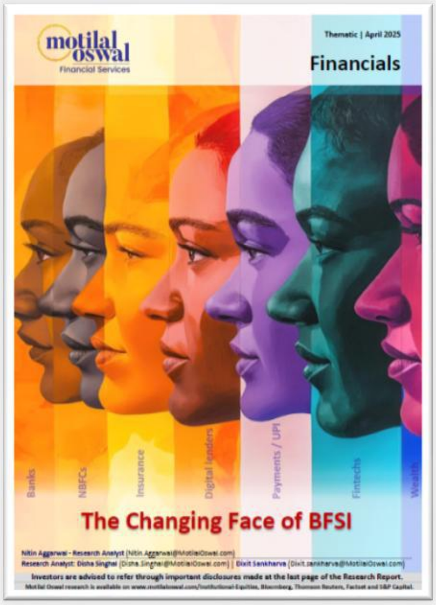

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