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

Ref: BFIL/SEC/2025-26/51 **Date: July 30, 2025**

To,

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

Subject: Transcript of Earnings Conference Call for the quarter ended on June 30, 2025

Dear Sir/ Madam,

We hereby inform you that in continuation to our letter bearing Ref. **BFIL/SEC/2025-26/40** dated **July 17, 2025** and pursuant to the requirements of the Regulation 30, read with the Part A of the Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, from time to time, an Earnings Conference Call with the Investors and Analysts to discuss the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended on June 30, 2025 was conducted on **Thursday, July 24, 2025** at **12:00 P.M. IST.** Please find enclosed herewith the transcript of the Earnings Conference Call.

In compliance with the Regulation 46 of the Listing Regulations, the transcript of the Earnings Conference Call is also available on the website of the Company and the same can be accessed at www.bikaji.com.

You are kindly requested to take the same on record.

Thanking you

Yours faithfully,
For Bikaji Foods International Limited

RAHUL JOSHI
Digitally signed by RAHUL JOSHI
Date: 2025.07.30 18:58:43 +05'30'

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

Enclosure: As above

"Bikaji Foods International Limited
Q1 FY'26 Earnings Conference Call"

July 24, 2025

MANAGEMENT: **MR. RISHABH JAIN – CHIEF FINANCIAL OFFICER – BIKAJI FOODS INTERNATIONAL LIMITED**

MR. MANOJ VERMA – CHIEF OPERATING OFFICER – BIKAJI FOODS INTERNATIONAL LIMITED

MODERATOR: **MS. HAZEL RATHOD – S-ANCIAL TECHNOLOGIES PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Bikaji Foods International Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "*", then "0" on your touch-tone phone. Please note that this call is being recorded.

With this, I now hand the conference over to Ms. Hazel Rathod. Thank you, and over to you, ma'am.

Hazel Rathod: Thank you. Good afternoon, everyone. Thank you for joining us for Bikaji Foods International Q1 FY '26 Earnings Conference Call. From the management, we have with us Mr. Rishabh Jain, CFO and Mr. Manoj Verma, COO.

I now request Mr. Rishabh Jain to take us through the key opening remarks. After which, we can open the floor for the question-and-answer session. Thank you, and over to you, sir.

Rishabh Jain: Thank you very much for joining the call. So, from Bikaji lens, me and Manoj Ji have joined the call. And we have seen a strong quarter performance with a strong 15% growth on a consolidated basis and 11% growth on a standalone basis. From the last 6, 7 months, we've seen good demand improvement across each month-on-month. So, if you see the third quarter of last year, we have been at 5%, 6% growth versus last quarter was good. And this quarter, month-on-month basis, we've seen good demand recovery across each rural as well as urban.

Also, we entered into festivities, and festivities are always big for us. Sweet plays an important role. As we just closing July, we've seen good demand from sweet as well as all ethnic snacks. So, we're seeing good demand and see a good sign of good second quarter going on.

From a bottom-line perspective, this quarter has been one of the best quarter in the last many quarters, where overall consolidated gross margin touched 35%. With PLI and without PLI, it has also grown to 33.7%. On a standalone basis, the gross margin was 33.6% with PLI and 32.3% without PLI. So, from the gross margin lens also, we've seen good, strong performance in the last 4, 5, 6 quarters.

So basically, if you see from the third quarter last year, we have gone far right, and we have seen good gross margin and EBITDA improvement. Also, this year, we have seen good rain, a good crop, and raw materials supported as key pulses edible have also softened. So, this is also playing an instrumental role in improving gross margin.

On timely basis, also, we've increased the prices of key ethnic snacks as well as special snacks. So, in the last 2, 2.5 quarters, we have increased prices by 2.5%. That has also helped us in regaining our margin trend.

EBITDA from a consolidated basis, we had touched an EBITDA close to 14.8% and without PLI 13%. So, close to 15% EBITDA with PLI. And from a standalone basis also, we are just close to 15.8% EBITDA with PLI and close to 13.5% EBITDA without PLI. So, from a standalone basis, we are touching close to 13.5% to 14% EBITDA.

This quarter marks the instrumental achievement, as we have also initiated and taken approval from the Board for a JV with one of the biggest groups in Nepal. That's a strong partnership, building capability and talent. So, basically, in Nepal, CG Group is one of the biggest company in Nepal. They have another best distribution. We see that Bikaji, by partnering with them, will gain significant market share in Nepal in the coming years. We expect good business to come in over the next 3 to 5 years.

Manoj Verma: So, Yes, besides this, as we said that now we would be in a distribution game. We have added about 15,000 outlets in the last 3 months, taking our direct coverage to 3.26 lakh outlets. In terms of our marketing initiatives, as we've committed and budgeted at 2%, quarter 1 is relatively a low-spend quarter, whereas, quarter 2 becomes a very high expense quarter for our marketing strength. So, the continuous investment in digital marketing, which is social media, that's on, and we were there all across.

Also, this has been a quarter where we've initiated uncertain NPDs, which are there in the pipeline and have very recently got launched. People talk about the healthier snacks. So, the millet bhujia, a brand extension of our Bikaneri bhujia, millet bhujia is what, we have launched this quarter.

Talking about our growth, so, the overall volume growth is 7.5% for the quarter. Our revenue growth is 14.2%. In ethnic snacks, which is our core category, has grown at 11.2%. Packaged sweets, which looks pretty low at this point, is at 3.1%, but this is a seasonal business. This is going to be recovered in quarter 2. Western snacks are also showing a 4.2% revenue growth, and papad, a small category, is growing slowly at 5.8%.

The way we look at our business, which is core focus in other markets. So, core has grown at 8.5%; focus market at 11.5%; and other markets is at 26.5% growth. Exports have done extremely well with a 60.8% market revenue growth.

In the last quarter, our family packs have grown by far higher than the impulse packs, which is INR 5 and INR 10 per pack. So, the family pack has delivered a 15.8% growth, whereas impulse packs are at 8.2%.

Rishabh Jain: So, from the top line lens, we had touched a close of INR 653 crores, growing at 14.2% compared to last year. And overall, from quarter-on-quarter basis also, is growing at 6% close to 7%, versus EBITDA if you see from last quarter, we grown at around 30% from EBITDA lens in testing INR 96 crores EBITDA in this quarter. So that's all from the presentation. We are happy to take all the answers. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Abneesh Roy from Nuvama. Please go ahead.

Abneesh Roy: Congrats for good recovery in both volumes and margins. My first question is on the family pack versus impulse pack. So, family packs are growing 2x of the impulse packs. Generally, we see in FMCG that currently, although there is some recovery in terms of the urban demand, initial signs, generally, downsizing is happening, and smaller packs are going faster.

So, is this a conscious effort from your side that you're offering more value to customers at the family pack, because impulse packs are very important for recruitment purposes, and probably an overall market share purpose. So, if you could clarify any one-offs here? And how have you seen the market leader? Have they also seen family packs grow faster than the impulse pack?

Manoj Verma: Thanks, Avnish. To the question, if you look at the small pack or the impulse pack, it's not that they have grown slow in terms of category. It is what, we could have done better on the impulse pack side. So that's one, straight to your question.

Now, the reason for that has been that there has been, you know what we have witnessed from the market, that lots of small and local players. So, huge discounting and all that stuff have happened in this INR 5 pack primarily. And which is what has the category growth, but from our, in terms of a conscious call, we didn't get into those price wars and all that stuff, which is also on the back of, if you look at relatively low growth on our Western snacks.

But, how we look, see, is that come this quarter 2 onwards, this should get back to normal. So not that we have done differentially high on our large packs, it is by virtue of our brand strength, our distribution and our availability across channels that the momentum continues.

Abneesh Roy: One clarification here. It's mostly regional players, which are more aggressive in the Western snacks or given the Pepsi's of the world or ITC? And second is Western snacks is around 10% of your business, broadly 9.2%. So, is that Western snack is mostly in the INR 5 and INR 10 pack for you?

Manoj Verma: Yes. So, Western snack is, primarily INR 5 and INR 10, and we also do have large packs for modern trade and all that stuff. But, then that's a limited space in that stuff. So, INR 5 and INR 10 is certainly big in this.

And in terms of your question that the large players, which is in likes of Pepsi and ITC. So, if you put together these 2 companies, their market share in, say, Western snacks would not be more than 50%, even less in that stuff, right? So, there's a huge room, and that's where the regional and local players play pretty strong.

Abneesh Roy: Understood. My second question is on the 2 - 3 laggard categories in your core business, which is 76% of your business. Ethnic snacks, you have done quite well. In the 3 smaller categories, which is a bit counterintuitive, your growth is below 6%. You did explain the Western snacks and you said it will come back on track.

In packaged treats and Papad, in the new states, is this a focus area, for example, in focus states, are you also driving package sweet and Papad. Generally, what we are seeing, these 2 categories are a bit volatile in numbers. I understand packaged sweet is linked to the festivals and marriage season. But is there a drive to take this to new geographies or in the existing geographies only where most of the business continues to remain for these 2 segments?

Manoj Verma: No. So, Papad goes everywhere and so other sweets. We've been calling and we take pride in saying that we are the second largest Papad manufacturer in the country, handmade after Lijjat Papad. So, this is not just in the core states. This is across the country and even, in the exports market, right?

But, it so happens that Papad, again, during wedding season, so, the demand of sweets and Papad goes obnoxiously high during these wedding seasons. In fact, in the times we have witnessed that we run short of capacity for Papad most importantly.

This time, what has happened is that the number of wedding dates or the weddings were less than, what it were in the last or previous year. So therefore, it's reflecting in Papad. Sweets is a matter of time. And as Rishabh just spoke and you'll see the pricing number coming in, in quarter 2 sales for sweets. So, an immediate recovery will be.

Abneesh Roy: Yes. Last question. So, Nepal, why do a JV, almost every Indian FMCG company is present in Nepal, we don't see too many JVs? Why not go 100% on your own? Second is this INR 5 Crores loan which you have given to Bikaji Bakes. Could you clarify on that? What exactly is this business?

And lastly, on the 2 store addition which you have done. From 13 stores quarter-on-quarter, it is becoming 15. So, if you could discuss, is this basically your acquisition, Hazelnut, isn't at where you have added? And any insights if you can share of your own store, how they are doing? And Hazelnut, are you happy now, because few quarters have gone?

Because generally, most retail companies in the QSR space are not seeing good times at all, except maybe Domino's one exception. But broadly, this space is extremely challenging currently.

And if you see the software job addition also TCS has delayed and overall job addition in the IT sector is low. In that context, would you slow down your store addition in Hazelnut and in terms of your own stores?

Manoj Verma: Yes. So, we'll take your questions one by one. So, starting from your first question, which is on JV in Nepal. So Bikaji as a brand is pretty old and pretty strong in the Nepal market. But the challenges, what we were facing was that there's huge custom duty or the import duty, which was there and which was making our product non-competitive.

So that was the reason that we thought of having a JV and eventually, start producing there and selling there. So that will make our products much more competitive and will leverage the brand strength what we have.

Talking about the JV Company, which is CG Chaudhary Group, who owns Wai Wai brand and which is the highest distributed Maggi or FMCG brand in the country. So that's what we are riding along with the CG Group.

And we see a huge growth potential initially just by making our products available in length and breadth of the country and second, by the cloud and their strong presence in the store. So that's the sole objective of having this JV, exclusively for Nepal market.

Now talking about the loan and the other stores, I would hand over to Rishabh.

Rishabh Jain: So, from THF, in this quarter, we have added 2 stores in THF – The Hazelnut Factory. So basically, THF is doing extremely well for us. And, we are largely satisfied with the performance of what they are doing. And this year, they will open close to 8, 9 stores, more in the next 9 months. So, they will open a store in a month pipeline. So, by end of this year, they will be having close to 19, 20 stores, and largely in UP and MP area.

So, in last 6 months, they opened stores, and we are seeing good results coming in each quarter, each retail outlet. So, we are seeing good numbers versus profitability at overall level in retail also in THF, and we are largely satisfied with the investment what we have done. And from Bikaji lens, we've opened 1 store in Rajasthan this year, and we'll open 3, 4 stores more in the same pipeline. And we are seeing, we also see good results coming in from that.

So, from retail lens, we are not your proper QSR. We are into a major focus in each retail chain is into Packaged Namkeen, Packaged Sweets, Gifting that contribute big numbers in our overall QSR. Like you see in Bikaji also, like we are offering in Bombay, where close to 55%, 60% sales come from gifting, sweets and our packaged Namkeen Bhujiya, where we display complete range of Bikaji products. So, that's a major focus for us in QSR, in our retail QSR outlet.

So, that's number one and number two, from Bikaji Bakes' lens, it's a 100% subsidiary of Bikaji Foods focusing on doing, focusing on making some bakery items. We are already into biscuits and a small portion of us are into biscuits. But, yes, bakery is coming, bakery is doing good in India and we see good potential. So, that's a small investment what we will do and we will focus on doing crossover and everything, small bakery, bakery investment. That's what we are doing.

Abneesh Roy: What brand and mostly e-commerce for bakery?

Rishabh Jain: Mostly e-commerce, yes, mostly e-commerce.

Abneesh Roy: What brand? Bikaji brand?

Rishabh Jain: Yes. It's early to say.

Abneesh Roy: One last…

Rishabh Jain: But, yes, we will come. Sorry?

Abneesh Roy: Yes. You are saying something, you'll come back...

Rishabh Jain: So largely, of course, it's in, currently it's in Bikaji brand.

Abneesh Roy: That's okay. Understood. One last follow-up and I'll end there. In terms of CG Foods, they do have a reasonable presence in some states through Wai Wai Noodles.

Rishabh Jain: Yes.

Abneesh Roy: Through a non-equity, I am not asking on equity partnership in India, through a distribution synergy, in terms of Wai Wai Noodles and Bikaji getting distributed in some of the Northeast, etcetera. Is that a possibility? Because, they do have some reasonable presence in some states.

Rishabh Jain: So, we are having very strong presence in Northeast as of now. In Northeast, we are holding plus 55% market share in Assam, right? So, we hold a very strong position and we don't see any collaboration in India as of now. It's just a Nepal JV.

Abneesh Roy: Thanks, that's all from my side.

Moderator: Thank you, the next question comes from the line of Nitin from Emkay. Please go ahead.

Nitin: Yes, thanks for the opportunity, I basically wanted to have more insights around the month-on-month demand recovery. Can you throw some light? And additionally, like you have answered to the previous question around some of the markets that discounted players have emerged. If you can call out any specific market and you are hopeful that in Q2, things will be back. So, how that, those scenarios are emerging? Can you please help on that?

Rishabh Jain: So, we have seen good demand recovery in last six, seven months. Like you see in quarter three, October, November, this quarter was tough for us and for the industry also. But from February onwards, we have seen good recovery. Like April was a little dull because, we didn't get good. So, March was good, but May, June, July, we have seen good month-on-month recovery in demand. And being we are entering into festivity, we see good demand recovery across each state, each core, as well as focus state in our overall city.

Nitin: Okay. Thank you. And in terms of this discounting which is going on in part of your portfolio and recovery in Q2, how you are confident that the discounting will go down or are we taking some action here?

Manoj Verma: Can you please, I mean, I'm not, we're not clear on terms of discounting. What is the exact question there?

Nitin: No. So, you were highlighting that, like particularly western snacks, there have been…

Manoj Verma: Okay. Okay. Okay.

Nitin: A lot of small local players coming with huge discounting. Yes.

Manoj Verma: No. So, okay. So, I think, so it's not about discounting, it's about their selling price. So, they offer lots of offers and all this stuff, right? So, what happens is that these are the mushrooming kind of stuff. That's not sustainable. And which is what, so we'll upgrade our INR 10 and all that stuff. But yes, we certainly will not go the discounting way or trying to match prices and all. That's what we'll never do.

Nitin: Okay. Okay. Thank you. And my second question is around your gross margin recovery. So, adjusted for PLI it is at around 34%, which is a healthy level. There is a sequential recovery of 225 bps. So, can you help me understand the factors which have aided gross margin recovery? And also, a comment around sustainability of the margin ahead would be helpful?

Rishabh Jain: So, basically, it worked both ways. Like we also increased price in last two quarters. And also, raw material has supported us. So, in both ways, it has worked us in our favor. And also, we've done some saving program in the organization, which is running for the last nine months. And so, that's where we are majorly focusing on few products which are high on gross margin. So, multiple things are going on to improve the gross margin.

Currently, we are at close to 35% gross margin at console level. But overall, at standalone level also, we are at highest gross margin. And we see that in next nine months also, we'll be at the same, we'll be maintaining the same gross margin, what we see right now. Unless, we see any major disruption in oil, edible oil also.

But we've been, in next three, four months, we've seen good crop, good rain. In our core state like Rajasthan, we've got major raw material. And we've seen good rain this year. So, we don't see any major changes in raw material prices, what we are buying currently.

Nitin: Yes. This is helpful. And one last thing in terms of your presentation, when you highlight raw material prices. So, this is the spot prices you highlight, or is it like consumption price? The indexing you provide.

Rishabh Jain: It is the consumption price. Consumption price.

Nitin: Okay. So, that way, like palm oil prices were as per my calculation were around INR 131 in Q4. That has seen a moderate correction to INR 128.

Rishabh Jain: Right.

Nitin: So, whatever the duty decreases and the easing in palm oil prices has not benefited us.

Rishabh Jain: So, it will be, so we'll see in quarter two, something, because we have some stocking had been done. So, we'll see in quarter two. But yes, edible oil price will remain at the same level. We don't see any major changes because productivity and demand is good this year. So, we don't see any major correction in edible oil. It will be at the same, largely same level what we are seeing in quarter one.

Nitin: Okay. So, you don't think that whatever the reduction has happened that will flow into the numbers.

Rishabh Jain: No.

Nitin: So, palm oil prices basically will stay here and the margin...

Rishabh Jain: Look palm oil prices came down, but we use multiple oils, like palm, cotton, rice. And so, palm is reduced, but other oils are not reduced much.

Nitin: Okay, got it. This is very helpful. Thank you.

Rishabh Jain: Thank you.

Moderator: Thank you**.** The next question comes from the line of Mrunmayee Jogalekar from Asit C. Mehta Investment Intermediates. Please go ahead.

Mrunmayee Jogalekar: Hi, sir. Thank you for the opportunity.

Moderator: The line for the participant has disconnected. We'll move to the next question. The next question comes from the line of Vishal Dudhwala from Trinetra Asset Managers. Please go ahead.

Vishal Dudhwala: Hi sir, am I audible to you.

Rishabh Jain: Yes. Yes.

Vishal Dudhwala: Yes. So, I just have one question about your second half of this year, as with Diwali and the festival season, like rural post-harvest demand and anticipated easing in commodity costs. What are your key volume and margin assumption for H2?

Manoj Verma: So, if you look at Diwali and when you talk about this, so this primarily gets covered broadly in quarter two and then, the leftover would be in quarter three, right? So, gross margins, the way we look at, I mean, the guidance, what we have given, we will stay within those numbers.

Vishal Dudhwala: Right. Any new festive SKU launches are you are piling up in your plan or not?

Manoj Verma: No. Nothing as such. It's about our gift boxes. So, every year, we come up with some new designs. It's the assortment, different packs and all that stuff. But otherwise, if you talk about any new category, no. The packs, you will see some better design, some little bit change, tweaking and that stuff. I mean, that's what we certainly do, to keep up the excitement and engagement of the customers.

Vishal Dudhwala: Okay. And that’s it from my side as of now.

Manoj Verma: Thank you.

Vishal Dudhwala: Okay.

Moderator: Thank you. The next question comes from the line of Darshit Vora from Asit C. Mehta Investment Intermediates. Please go ahead.

Darshit Vora: Thank you for the opportunity. I have a couple of questions. So, first thing being that we, what is the timeline and what kind of internal target are we expecting for the volume to come up to double-digit levels? We've seen about three quarters of single-digit increase. So, any visibility over that?

Rishabh Jain: So, we've seen good demand recovery across month-on-month. So, for rest of the year, we see at least 9%, 10% volume growth. That's the plan. And that's the numbers, we are looking at, at least.

Darshit Vora: Alright. 9%, 10%. And that would be more towards the second half?

Rishabh Jain: More towards from quarter two onwards.

Darshit Vora: From quarter two onwards. Alright. And about this Nepal JV that we have done, can you give some kind of details with respect to, say, capital outlay or some kind of a timeline for the ramp-up of distribution or some kind of revenue potential that we have in mind?

Rishabh Jain: Yes. So basically, from Nepal perspective, so, we'll jointly open a plant in Nepal, where we'll invest close to INR 30 Crores currently. INR 15 Crores will be outlay from Bikaji and balance will be from there. It's equal 50-50 JV. And currently, our top line is under INR 20 Crores. And we see a good potential, as brand is very strong there.

But overall, due to custom duty and all, we're not able to supply in Nepal market. We see good potential coming up and using and driving distribution of CG Group Wai Wai, and we see at least INR 50 Crores top line in the next two years. That's the target what we see.

Darshit Vora: INR 50 Crores of top line in the next 2 years.

Rishabh Jain: Yes.

Darshit Vora: Alright. And finally, just from my side, in the previous quarter, you had mentioned that our gross margins or expectations of around 30%, 31%. This time around, we've come at 33%-plus, and we hope to maintain that sustainably in a way. So, how do we plan on doing this given the already taken initiatives.

Rishabh Jain: So, on full year basis, what we see that on a standalone basis, standalone basis you see gross margin of 32% plus. That's the target what we're taking on standalone basis without PLI. And we are on track of it this year, of doing the same.

Darshit Vora: Alright. That's it from my side. Thank you.

Moderator: Thank you. The next question comes from the line of Shirish Pardeshi from Motilal Oswal. Please go ahead.

Shirish Pardeshi: Hi Manoj, Rishabh. Thank you and good afternoon**.** Just a quick question on the Nepal. The per capita consumption in Nepal for noodles is about 7 kg. Do we have any data what is the, because I do understand Wai Wai is practically about 100% distribution. So, and it's a very strong noodle market. In that context, you might say that you have a right to win. But, then, I was more curious, what is the namkeen or may be non-Western snack kind of consumption? If you have any data to support.

Manoj Verma: Hi Shirish. So, Nepal as such, I mean, we don't subscribe to Nielsen data, so would not be able to answer in the straight one number. But certainly, what we can tell is that looking at the markets and visiting these staff and all. So, this seems to be clearly about INR 600, INR700 Crores market kind of stuff, right? That's what we look at it.

And, when we look at competition and primarily from these Indian manufacturers, such as Haldiram, Bikano, they're pretty much strong there, and there's a consumption base as well. So that's what we see. And when we look at internally, simply put, so currently, our distribution was lacking. We were more towards India border side. That's what was it.

And now, if we were to go up Nepal, that one is the transport cost, which makes things expensive. And second thing is that someone is to build a route to market. So, the objective of this JV is to leverage on their route to market and brand, which is already an established brand, push that brand there. So that's what it is. And as Rishabh said, in terms of our business opportunity, we can more than double in the next 2 to 3 years' time.

Shirish Pardeshi: That I understand. I was just more curious because in the press release, you've said that you will manufacture, trade and do the marketing spends. So, obviously, you should give some numbers and there is an investment of INR 30 Crores. But, then, is manufacturing going to solve the distribution problem because if the market is very large and if there is already established players, which are there and you have been selling some quantity from India.

So, I was more curious what is the number which you, I mean, the INR 50 Crores number on the profit looks very conservative. But then if you can tell me what is the export business we have done in FY '25 to Nepal?

Manoj Verma: Yes. So that's what I, to your question, again, Shirish. Let me bring to the table, the import duty is 55%, which makes you less competitive in those markets. So, this would help us ease down on those numbers and therefore, ability to invest behind building our business goes as much. That's one.

Second is, if you look at Haldiram has also gone the same way. They have also done a JV partnership there. And so is what Bikano. So top 3 players from India are these three. So, they already have started or about to start. That's what is the status.

Shirish Pardeshi: Okay. Coming back to India business. Just a quick question on the PLI. What kind of PLI you have factored in for FY '26?

Rishabh Jain: So, for FY '26, we have factored close to INR 50 Crores PLI in our books. So, it will divide equal in each quarter.

Shirish Pardeshi: Okay. And just last question on Hazelnut. What kind of revenue momentum we can expect exiting quarter 4 in this year because, obviously, there is a lot of learning curve…

Rishabh Jain: So, quarter 4 will be type of INR 100 Crores ARR. That's what we'll see.

Shirish Pardeshi: Okay. And any color because now you're settling down so margin exit, when you do INR 100 Crores, what kind of gross margin you would achieve?

Rishabh Jain: So, this year will be a lot of expansion. So, major focus will be driving growth and driving open stores this year. So, next year will be 8% to 10% EBITDA. This year will be largely 4% to 5%, 4% to 6% type of EBITDA.

Shirish Pardeshi: Alright. Thank you Rishabh Jain and all the best.

Rishabh Jain: Thank you.

Moderator: Thank you. The next question comes from the line of Hatim Broachwala from JM Mutual Fund. Please go ahead.

Hatim Broachwala: Yes. Hello sir. Thank you for the opportunity. Sir, my question is that currently, all the input commodities are now correcting. So, whether there is scope for us to cut down, cut on the product prices to drive volume growth?

Manoj Verma: Yes, of course. I mean, we look at how competition is moving, if we were to drive volume growth. So, those are the measures as a business and as the steering committee in our company, how we look at it. So, we certainly evaluate and we keep doing these things, as the commodity prices ease.

Hatim Broachwala: But, is there an opportunity without impacting margins, I mean, current margin?

Manoj Verma: Of course. See this, we'll only do, if we have that ability to invest. It is not at cost of margin. So, there is a target of improving bottom line as well. So, it is not by eroding margins and we give some extra offers that will not. So, as you started that as we see the ease in commodity prices, that's what we will pass to the consumer. And we have done it in the past as well.

Hatim Broachwala: Okay. Thank you, sir.

Moderator: Thank you. The next question comes from the line of Tuisha from Rare Enterprises. Please go ahead.

Tuisha: Thank you for taking my question. Am I audible?

Moderator: Yes ma'am.

Tuisha: Sir, my question is regarding your new product launches, in particular, the millet bhujia. If, you can please share any kind of commentary on how the market response has been? And what you think the opportunity could be for this healthy snack segment? And if you have any more healthy snack launches in the coming quarters that you've planned? Thanks.

Manoj Verma: Yes. So, I think it's too early to comment on this millet bhujia because it has just come out, and so we will be doing some pilot stuff and we'll be riding on these Q-com channels and all that stuff. Distribution would get built over a period of time. The prima facie, what we can say is that when we launch, so there's a huge product testing what we do, and it has come out very well, and that's what was the panel, and that's how the panel gave clearance to launch it.

Talking about the healthy food. So, one is there's nothing called healthy food. You may say healthy snacks. You may say less unhealthy. That's a better way to put that up. So, we also have a range of products, which are roasted, namkeens and all, healthier namkeens and all. But the market, still is very, very niche.

So, as much voice, what we hear about healthy snacks, if we go down, the consumer that in India, Indian markets, at least, it is not as much there. I think, it will take about 5, 7 more years. That's when people will be talking even more about the healthier snacks and companies would then start focusing on that stuff. But, to be future ready, we have a range of products, which are in amongst the healthier one.

Tuisha: Okay, sir. Thanks, that helps.

Moderator: Thank you. The next question comes from the line of Aditya Tambi from Habrok Capital.

Aditya Tambi: So, I just wanted to get some updates on like the frozen food segment, that you were planning to export from India. And there's currently the market leader, which already does it. So, any color on how it is happening, if we are able to get into stores and gain some market share?

Manoj Verma: Yes. So, on the frozen food, we do not sell in Indian domestic market. This is primarily for our exports business. And the frozen part has a huge share of business in our exports business, to the upwards of 35%. That's where it is. And that also would have been better, if we had our capacities earlier because we were also outsourcing and stuff. So that's where it is.

But the way, we have built our capacities and this, again, we call it being future ready. So, as and when the country or the channels are matured enough to maintain and sell these frozen products, which needs end-to-end cold chain, that's when we shall be launching it in Indian market, but, not in the next couple of years is what, this would be export business product only.

Aditya Tambi: Right, sir. So, just to follow up on that, can you just square on how the market has changed? Like, if someone is already storing a competitor's product, then, how do you convince them to go for Bikaji, instead of them or to keep both of them in their stores?

Manoj Verma: So, today, if you look at any categories, the categories are highly fragmented, and you will see a lot of players playing around and within the store itself. So, the exclusivity no more exists. That's one. Now, how we'll do it is, one, in terms of, of course, we have to be consumer preference. So, therefore, if your product doesn't taste well or the quality is not up to the mark, you will never get a repeat. What we also do is that we do some branding activation in these stores, which is the stimulus for a retailer to keep and place our product, give visibility of our product.

Third is that the cloud, what we have. So, in the stores where, we already are selling Bikaji products, this becomes an addendum to the list, what they have. So, this is how we go about it. And also, what we realized was that many a times, we ran out of stock. I mean, we did not have, was not having ability to supply the orders because we were also outsourcing.

During the season time, if you look at, that's where the demand is highest there. And in the yesteryears, we were struggling. Now, if you see, our numbers speak louder, than what I would say. If you look at our quarter 1, export business growth is outstanding. And this is what has helped us.

Aditya Tambi: Sir, thank you for answering. Also, sir, on the Hazelnut Factory acquisition, like you already alluded that we are adding 1 outlet per month. That is what we see. But how do you see this over 2, 3 years or 5 year phenomena? Do you see this as only a Tier 1 opportunity? Or like do you plan to scale this up faster? Or like after this year, we might to go lower on these store additions? How do you think about this?

Manoj Verma: So, store addition will continue to drive on our direct coverage. What happens is that we're not transferring into indirect coverage because it will be a diminishing return beyond a point. But when you cover directly, your cloud on the store or ability to sell range is always high. So, what we're looking at it is that now currently, we are at 3.25 Lakh outlets.

The target what we have is to exceed 3.5 Lakh outlets by end of the year. But year-on-year is what we shall be adding 50,000 outlets. That's what is the target, what we have for ourselves and should reach to 5,00,000 outlets in our direct coverage. That's the target what we have in the next 3 years.

Aditya Tambi: Right, sir. But sir, also on the Hazelnut Factory, the acquisition we did, so what about that store additions?

Rishabh Jain: So, from Hazelnut's lens, what we see that this year is a major expansion what we'll do this year. But from next year onwards, they will open 5 to 7 stores every year. That's the target.

Aditya Tambi: Okay. Thank you. And also, we were focusing on our focus states. So, like do we have any update? Like, if there were any market share gains, like if we could see some wins in these focus states like any market share in that happened over last 1, 2 quarter?

Manoj Verma: So, across all 6 focus states, there's a movement upwards of market share gain across states. What happens is that and so is the numeric distribution as well. So, both these metrics has moved up. There are certain states, which are now close to 6% market share as well, so 5.8%. For example, Chhattisgarh, if you look at, which is one of our focus states. Karnataka, as I speak about it, is upwards of 3% market share. So, there are certain movements. So, nowhere have we seen that it has not slowed in throughput.

Moderator: Thank you. The next question comes from the line of Priyank from Vallum Capital. Please go ahead.

Priyank: Yes. Hi sir, I'm sorry, if I missed out the organic volume, but I understand the volume was excluding acquisitions…

Manoj Verma: Sorry, the voice is not audible.

Priyank: Hi Sir, Sorry, I would have missed out. What would have been the volume growth, excluding the acquisitions in the standalone business? Would it be 5%, 5.5%?

Rishabh Jain: Close to 6%.

Priyank: Close to 6.5%?

Rishabh Jain: Close to 6%.

Priyank: Sure. So, Rishabh, the additional, I think the extra offerings that we had given last year would ease out in the base by September quarter, right? So, until that time, the volume growth would undershoot whatever aspirations we always had about 12%, 13%, right?

Rishabh Jain: Right. So last year also, quarter 4 of '25, we have seen full volume growth of 10% extra. That what, we are in. In quarter 1, we started slowing down. So, from quarter 2 onwards, we will see good volume growth. Because in quarter 2, there will be no extra grammage in last year number.

Priyank: Understood. No, because till September quarter, we had a 15% volume growth, and I was assuming that there would have been...

Rishabh Jain: Yes. You're right.

Priyank: So, for the full year, for the first half, we would have a single, mid-single-digit volume growth. And for the second half, the aspiration continues to be double digits. Is that what...?

Rishabh Jain: Yes, yes, yes.

Priyank: Got it. And the question on the operating costs. When we look the total operating cost in terms of per kilo, how should we model it out for next 2 years? What should be the trajectory given the distribution rate that we are expanding, given the size that we are reaching? What should be the operating cost per kilo trending going ahead?

Rishabh Jain: So, basically, we don't see business as an operating cost per kilo on year-on-year or month-on-month basis. We see it as a key cost. We measure key costs, like logistic cost is big for us. Employee cost is big for us, and manufacturing costs. So, we see each cost is a big, 5, 6 points are there, which are big for us from cost perspective.

And we are mainly focusing on bringing more efficiency in each cost lens. So currently, we're into expansion phase. So, be it in employee, we had done a lot of addition in employees as well as front-liners in sales in the last 2 years. And the result started coming in the last 2 quarters, and we'll see a lot of improvement in employee cost as well.

Number two, so manufacturing cost, we are doing a lot of energy. We are moving to solar and everything. So, we'll see efficiency in each cost measure. Thus, also we are currently close to 50% utilization. So, running plant at lower shift or lower utilization is always a costly affair. When we have fixed salary, fixed employee cost, all costs are fixed. So, once we start raising this capital and take this to 70%, 75%, we'll see at least 0.3 to 0.5, 50 basis point improvement in margin every year for the next 2, 3 years.

Priyank: Sure. So, I mean, we just have multiple cost line items, but if I have to look forward to total other expenses, excluding employee cost is somewhere around 14% to 15% of the sales. So, it will be multiple…

Rishabh Jain: So, what we see, it will be improving 50 basis points each year. From another expense lens, you will see there are a few costs, which are sitting in consultancies or many other third-party costs, meaning third-party manufacturing costs, which we'll see improving in the coming 2, 3 years.

Priyank: And for this year, should we consider 50 bps or starting '27, only we should consider 50 bps?

Rishabh Jain: Starting '27.

Priyank: Starting '27.

Rishabh Jain: Yes.

Priyank: Yes. Sure, clear. Thank you.

Moderator: Thank you. The next question comes from the line of Dharmil Shah from Dalmus Capital Management. Please go ahead.

Dharmil Shah: Hi, thank you for taking my question. So first is on the competition, you mentioned that whenever the raw material price increases is largely from the local players. So just wanted to understand whether these are the unbranded players, which are competing in such situations, or these are regional brands that primarily compete with you?

Manoj Verma: So, these are primarily local and regional brands. So, it will not be a national player role in that stuff.

Dharmil Shah: But not the unbranded one, right?

Manoj Verma: No. So unbranded also, but unbranded is what you cannot measure. But the data what you get is for the local and regional players. So, you see their presence, they are discounting much higher than what it used to be earlier.

Dharmil Shah: Understood. Coming to other steps, I mean, I know it's a very small part of the overall business…

Manoj Verma: Sorry. Can you please repeat the question?

Dharmil Shah: For the other states part of the business, I know it's a very small business right now, but what states specifically are growing, picking all the other states?

Manoj Verma: So, in fact, when you see the kind of growth, what we've delivered in other states, it's a game of all states doing well. But yes, to your question, it's like West Bengal like Maharashtra, Gujarat, these states have done very, very well.

Dharmil Shah: Right. Understood. This is primarily because of increased direct outlet coverage, right or is there something else?

Manoj Verma: No, in the other states, our strategies that we are riding on modern trade, we are riding on e-com. That's what it is. And then we are riding on, we make super stockist as the distributors and they drive this distribution there.

Dharmil Shah: Understood. And lastly, very, I mean, very broad question, but there is a lot of buzz around obesity drugs in India as well. These are very pricy drug right now, but once these are made accessible to the mass population, you think snacking company would have any long-term risk in terms of continued trends maybe over the next 5 to 6 years?

Manoj Verma: So, we will take it, as it comes. But, for now, if you look at as we export to several countries, and countries like U.S., where the laws of these factory requirements are even more stringent. And we abide by all of them. So, we are ahead of time, but I mean, if it comes, it will be true for us also, and we'll live up to whatever is expected in that case.

Dharmil Shah: Thank you so much.

Moderator: Thank you. Ladies and gentlemen, we'll take this as a last question for today. I would now like to hand the conference over to the management for closing comments.

Manoj Verma: Thanks, Hazel. Thank you friends for taking the time out. Hopefully, we answered the questions to your expectations. Just in case, if you feel any of the question was not well explained or do not bring the clarification you were looking for, please reach out to us. We'll be glad to take the questions separately as well. Thank you once again. Bye.

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