

## About Empire Spices and Foods Limited Private Equity Company

### About the Company

- (i) Empire Spices and Foods started its journey from a small shop in the holy city of Nashik, Maharashtra. The quality and taste of the exotic spice blends developed soon became a mass favorite and necessitated the setting up of its manufacturing unit to meet the market demand. It is the starting point for the famous spice brand "Ranbandhu Masala" today. Empire Spices & Foods Ltd was established in 1994 and manufactures spices. The company offers basic spices, spice blends, specialty products, pickles, papads, asafoetida, and premium spice blends. Empire Spices & Foods provides its services across India. Empire Spices & Foods exports its products.
- (ii) The company operates out of Nashik, Maharashtra.
- (iii) The total paid-up capital is Rs 4.84 crore. As per MCA, the company's last reported annual general meeting was on September 19, 2019.
- (iv) Empire Spices & Foods Ltd manufactures, produces, and sells all products.

### B) The company's products



## Key Strengths of Empire Spices and Foods Limited Unlisted Equity

- 1. Extensive experience of founders:** Over 40 years of experience in the spices business has enabled the founders to strengthen the perceived value of the Rambandhu brand and build lasting relationships with customers and suppliers. In the medium term, these factors should benefit the company.
- 2. Sound Financial Risk Profile:** Despite leveraged investments, the capital structure was comfortable as evidenced by a healthy debt-to-equity ratio of 0.48 and a modest net worth of Rs 5,480 crore as of March 31, 2021. This capital structure is expected to remain comfortable in the medium term (investment costs). Interest coverage and net cash flow to total debt ratios are expected to be 9.3 and 0.63, respectively, in FY21, with debt protection metrics being above average. The financial risk profile should remain stable going forward.
- 3. Moderately sized operations:** Revenues have grown by more than 10% in each of the past four fiscal years, reaching INR 23,977 crore in FY21. Due to essential items such as spices, sales grew by over 20% in FY21 despite the COVID-19 pandemic. Sales growth has slowed in FY22 but is likely to remain at a moderate level.

## Weaknesses of Empire Spices & Foods Limited Unlisted Shares

1. Raw agricultural products such as raw spices and mangoes are important raw materials. They are vulnerable to fluctuations in raw material prices. Given the competitive environment, we are unable to immediately and fully pass on increases in input costs to customers. Therefore, we are vulnerable to rapid fluctuations in commodity prices and are affected by government regulations, monsoon conditions, inflation, and other factors.
2. Additionally, the company competes in a highly competitive and fragmented sector. Therefore, sustaining revenue growth and maintaining stable operating margins through business cycles is important.

## Fundamentals

Fundamentals			
Empire Spices And Foods Ltd	590 Per Equity Price	Market Cap (in cr.)	280.8
Unlisted Shares Price		P/E Ratio	20.53
Lot Size	500 Shares	P/B Ratio	3.41
52 Week High	590	Debt to Equity	0.55
52 Week Low	375	ROE (%)	16.61
Depository	NSDL/CDSL	Book Value	171.56
PAN Number	AAACE1056D	Face Value	10
ISIN Number	INE041101010		
CIN Number	U15100MH1994PLC080772		
RTA	N/A		

## Financials (Figures in cr)

P&L Statement				
P&L Statement	2020	2021	2022	2023
Revenue	182	239	247	297
Cost Of Material consumed	108	135	140	187
Gross Margin	40.66	43.51	43.32	37.04
Change in Inventory	-11	7	0	-14
Employee Benefit Expenses	18	19	21	25
Other Expenses	49	51	65	73
EBITDA	18	27	21	26
OPM	9.98	11.3	8.5	8.75
Other Income	1	0	0	0.24
Finance Cost	4	3	2	3.15
D&A	3	4	4	4.64
EBIT	15	23	17	21.36
EBIT Margin	8.24	9.62	6.88	7.19
PBT	10	20	19	17.41
PBT Margin	5.49	8.37	7.69	5.86
TAX	2	7	5	3.73
PAT	8	13	14	13.68
NPM	4.4	5.44	5.67	4.61
EPS	16.53	26.86	29.17	28.5
Financial Ratios	2020	2021	2022	2023
Operating Profit Margin	9.98	11.3	9.89	11.3
Net Profit Margin	4.4	5.44	4.4	5.44
Earning Par Share (Diluted)	16.53	26.86	16.33	26.8

Balance Sheet				
Assets	2020	2021	2022	2023
Fixed Assets	58	67	77	76
CWIP	5	0	0	15
Investments	0	0	0	0
Trade Receivables	3	4	5	7.78
Inventory	35	27	35	49.15
Other Assets	8	13	8	20.07
<b>Total Assets</b>	<b>109</b>	<b>111</b>	<b>125</b>	<b>168</b>
Liabilities	2020	2021	2022	2023
Share Capital	4.84	4.84	4.8	4.8
FV	10	10	10	10
Reserves	38	50	65	77.55
Borrowings	33	21	29	45
Trade Payables	20	18	14	26
Other Liabilities	13.16	17.16	12.2	14.65
<b>Total Liabilities</b>	<b>109</b>	<b>111</b>	<b>125</b>	<b>168</b>

Cash-Flow Statement				
Cash- Flow Statement	2020	2021	2022	2023
PBT	10	20	19	17.41
OPBWC	20	26.4	26	25.18
Change in Receivables	1	-1	-1	-2.12
Change in Inventories	-14	8	-7	-14
Change in Payables	4	-1.4	-4	14
Other Changes	1	1.2	-0.5	-7.75
Working Capital Change	-8	6.8	-12.5	-9.87
Cash Generated From Operations	12	33.2	13.5	15.31
Tax	-2.5	-4.6	-4.5	-4.5
Cash Flow From Operations	9.5	28.6	9	10.81
Purchase of PPE	-13	-17	-12	-19
Sale of PPE	0.2	8	0	0.009
Cash Flow From Investment	-12.5	-9.2	-12	-18.99
Borrowing	10	-12	3	15
Divided	-0.8	-0.7	-0.7	-0.72
Equity	0	0	0	0
Others From Financing	-4.4	-3.3	-2	-1.85
Cash Flow from Financing	4.8	-16	0.3	12.43
Net Cash Generated	1.8	3.4	-2.7	4.25
Cash at the Start	0.4	0.6	4	0.69
Cash at the End	2.2	4	1.3	4.94