



SUBSCRIBE for Listing Gains

Based on the earnings for FY23 of the company, the financial performance for the last previous years has shown strong base recovery. The EBITDA has improved, and RoE has shown steady growth throughout the period. The IPO seems suitable to SUBSCRIBE for listing gains.

IPO Objective

Working Capital Requirements.

General Corporate Purposes.

Pre-Issue Shareholding

Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	95,00,000	100.00%
Public	-	-

Promoter of the Company

1	Dayalji VanraavanKotecha
2	Vijaykumar VanraavanKotecha
3	Rishit DayalajiKotecha
4	Hiren VijaykumarKotecha
5	Foram RishitKotecha
6	Mayuri HirenKotecha

Competitive Strengths

1	Brand name with heritage and legacy of over four decades.
2	Consistent focus on quality.
3	Long-standing relationship with the customers.
4	Diversified Product Portfolio
5	In-house manufacturing capabilities

Company Background

- Madhusudan Masala Limited was originally formed as a partnership firm in the year 1982 and has its registered office in Gujarat.
- The Company is engaged in the business of manufacturing and processing more than 32 types of Spices.
- The Company sells its products under the brand names such as "DOUBLE HATHI" and "MAHARAJA".
- The Company has two product segments - Ground spices, and Blend spices.
- As of 31st March 23, the Company has 304 employees on its payroll.

Market Capitalization

		(In Cr.)
Pre-Issue	Post-Issue	
₹ 67	₹ 90	

Financial Summary

				(In Lacs)
For the Period Ended	Mar-21	Mar-22	Mar-23	
Total Assets	2,599.90	3,514.29	5,736.51	
Net Assets	1,094.09	31.07	1,099.10	
Total Borrowings	966.39	2,819.53	4,217.20	
Total Revenue	6,875.18	6,651.81	12,750.57	
Profit After Tax	44.99	81.30	575.90	

Tentative Timeline

Opening Date	Sept 18, 2023
Closing Date	Sept 21, 2023
Basis of Allotment	Sept 26, 2023
Initiation of Refunds	Sept 27, 2023
Credit of Shares to Demat	Sept 29, 2023
Listing Date	Oct 03, 2023



Company Background and Analysis

Madhusudan Masala Limited is engaged in manufacturing and processing more than 32 types of Spices under the brand names "DOUBLE HATHI" and "MAHARAJA".

The company also offers Whole Spices, Tea, and Other Grocery Products like Rajgira flour, Papad, Soya Products, Asafoetida (Hing), Achar masala (Ready to make pickle powder), Sanchar (Black salt powder), Sindhalu (Rock salt powder), Katlu powder (Food supplement), Kasuri Methi (Dry fenugreek), etc under the brand name of "DOUBLE HATHI". The company also deals in whole spices in retail and bulk quantities as well as papad, soya products, Asafoetida (Hing), black salt, rock salt, etc. procured through third-party manufacturers and packaged under its brand name of "DOUBLE HATHI".

Geography-wise revenue break-up according to off-line and online sales for the fiscal year ended 2021, 2022, and 2023 are given below –

(Amount in Lakhs)

Sales	Product Category	Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Amount	%	Amount	%	Amount	%
Own Brand Sales	Blended Spices	237.34	3.46	160.18	2.45	94.69	0.74
	Ground Spices	2,266.02	33.00	2,170.48	33.18	3,143.63	24.71
	Other Grocery Products	121.60	1.77	149.01	2.28	166.29	1.31
	Tea	237.31	3.46	125.46	1.92	76.06	0.60
	Whole Spices	1,958.45	28.52	1,616.89	24.72	2,523.15	19.83
Other Sales	Whole Spices	1,243.29	18.10	627.03	9.59	3,790.99	29.79
	Food Grains	803.32	11.70	1,691.75	25.86	2,929.59	23.02
	Total	6,867.33	100.00	6,540.80	100.00	12,724.40	100.00

The company was originally formed as a partnership firm in the year 1982. The Company is engaged in the business of manufacturing and processing more than 32 types of Spices. Most of the revenue is generated from the state of Gujarat and the second major revenue-generating state is Maharashtra for the company. The company is raising total gross proceeds of Rs.23.80 Cr.



Peer Analysis

The comparison of the key performance indicators of the listed peers as of Mar-23 is given –

Particulars	Madhusudan Masala Limited	NHC Food Limited
	31st Mar 2023	31st Mar 2023
Net Profit Margin	4.53%	1.22%
EBITDA Margin	8.91%	4.27%
Return on Capital Employed	30.64%	8.57%
Return on Equity	52.40%	7.69%
EPS (INR)	6.94	1.48

The comparison of the key performance indicators of the listed peers as of Mar-22 is given –

Particulars	Madhusudan Masala Limited	NHC Food Limited
	31st Mar 2022	31st Mar 2022
Net Profit Margin	1.24%	0.65%
EBITDA Margin	3.31%	3.27%
Return on Capital Employed	5.89%	6.25%
Return on Equity	261.67%	4.17%
EPS (INR)	15.41	1.24

The comparison of the key performance indicators of the listed peers as of Mar-21 is given –

Particulars	Madhusudan Masala Limited	NHC Food Limited
	31st Mar 2021	31st Mar 2021
Net Profit Margin	0.66%	0.66%
EBITDA Margin	4.22%	2.63%
Return on Capital Employed	9.10%	4.35%
Return on Equity	4.11%	4.55%
EPS (INR)	8.53	1.16

Industry Overview

Exhibit 1: Indian Spice Production (million tonnes)

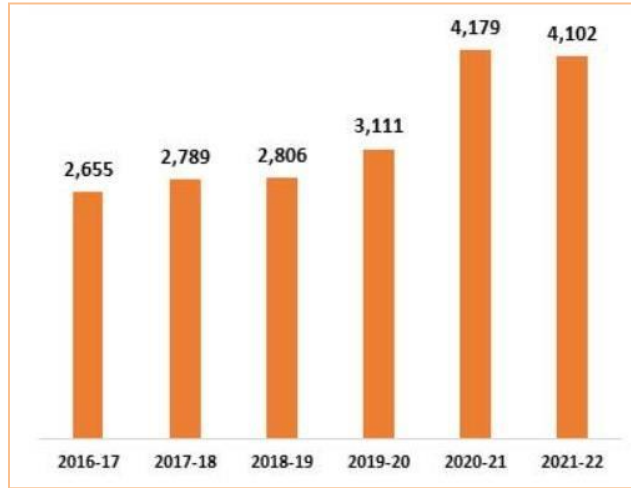
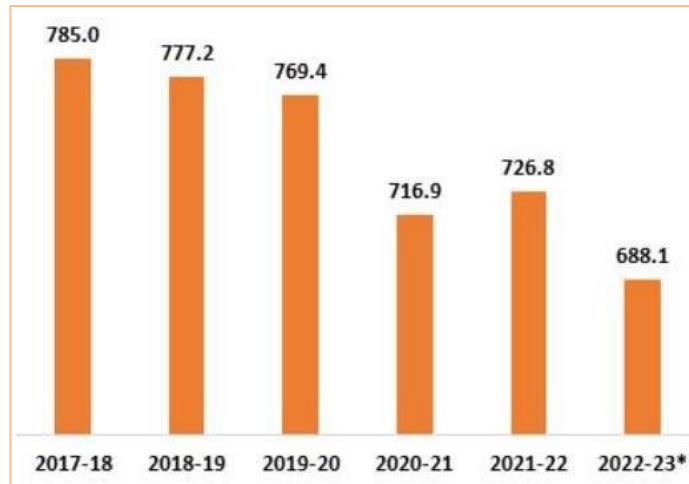
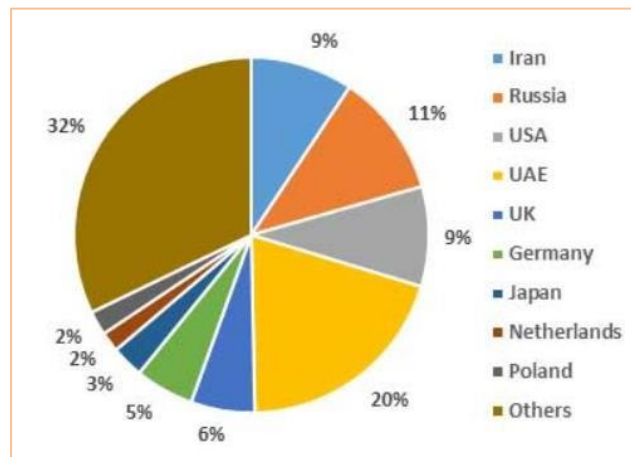


Exhibit 2: Indian Tea Exports (US\$ million)



*April-January 2023

Exhibit 2: India's country-wise share revenue from tea exports (2022-23*)



(Source: ibef.com)



Financial Snapshot

Profit and Loss Statement			(In Lacs)
Particulars	FY 21	FY 22	FY 23
Revenue from Operations	6,868.03	6,540.81	12,721.60
Other Income	7.15	111.00	28.97
Total Income	6,875.18	6,651.81	12,750.57
Expenses			
Cost of Material Consumed	6,087.40	6,316.04	12,060.64
Change in Inventories	101.95	-353.62	-934.51
Employee benefits expense	123.67	95.48	109.91
Finance costs	179.35	163.90	326.77
Depreciation and Amortization expense	55.96	66.72	62.64
Other expenses	265.10	266.26	351.89
Total Expenses	6,813.43	6,554.78	11,977.34
Earnings Before Interest, Taxes, Depreciation & Amortization	289.91	216.65	1,133.67
EBITDA Margin	4%	3%	9%
Profit before exceptional and extraordinary items and tax	61.75	97.03	773.23
Exceptional items	0	0	0
Profit/(Loss) before tax	61.75	97.03	773.23
Tax Expense			
Current Tax	19.22	19.68	199.17
Deferred tax	-2.46	-3.95	-1.84
Total Tax Expense	16.76	15.73	197.33
Profit/(Loss) for the year	44.99	81.30	575.90
Net Profit Margin	0.65%	1.22%	4.52%

Balance Sheet			(In Lacs)
Particulars	FY 21	FY 22	FY 23
EQUITY AND LIABILITIES			
Equity			
Share Capital (Partner's Capital)	1,094.09	1.00	500.00
Reserves and Surplus	-	30.07	599.10
Total Equity	1,094.09	31.07	1,099.10
Liabilities			
Non-current liabilities			
Borrowings	552.12	1,574.85	1,415.48
Other Non-Current Liabilities	1.00	1.00	1.00
Deferred Tax Liabilities (Net)	16.90	12.95	11.11
Long term provisions	15.35	18.20	15.78
Total Non-current liabilities	585.37	1,607.00	1,443.37
Current liabilities			
(i) Short Term Borrowings	414.27	1,244.68	2,801.72
(ii) Trade Payables			
Total Outstanding dues of micro-enterprises and small enterprises			
Total Outstanding dues of creditors other than micro-enterprises and small enterprises	463.86	589.78	124.12
Other Current Liabilities	11.06	8.69	47.99
Short-Term Provisions	31.25	33.08	220.22



Madhusudan Masala Limited

IPO Note



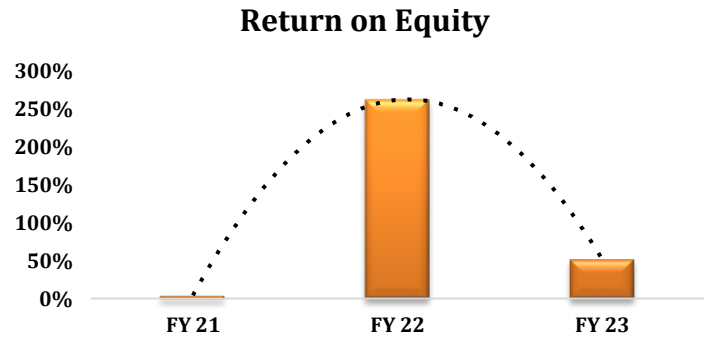
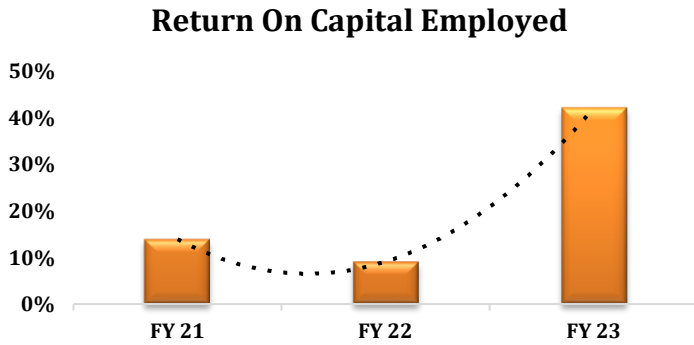
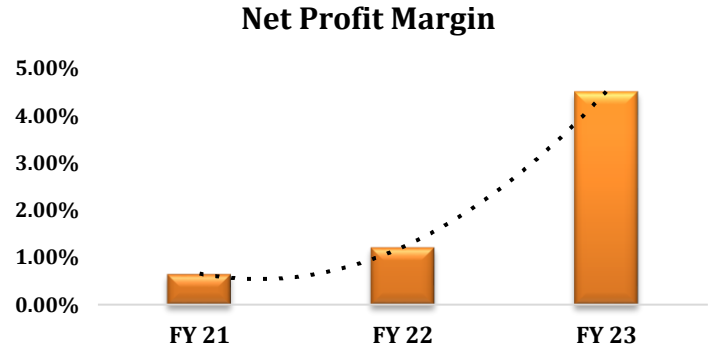
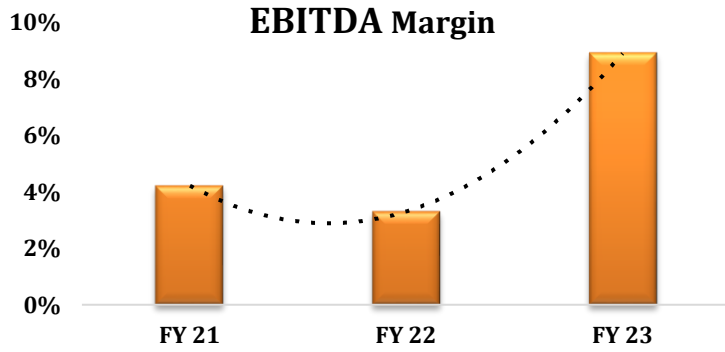
Balance Sheet			(In Lacs)
Total Current liabilities	920.44	1,876.23	3,194.05
Total Liabilities	1,505.81	3,483.23	4,637.42
Total Equity and Liabilities	2,599.90	3,514.30	5,736.52
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	463.40	419.66	968.70
Intangible assets	-	-	-
Non-current Investments	0.36	0.36	0.36
Deferred tax assets (Net)	-	-	-
Long-term loans and advances	13.04	13.64	31.18
Other Non-Current Assets	-	-	-
Total Non-Current assets	476.80	433.66	1,000.24
Current Assets			
Current Investments	-	-	-
Inventories	745.78	1,584.99	2,292.72
Trade Receivables	1,255.59	1,263.01	1,648.32
Cash and Cash Equivalents	27.94	24.23	40.64
Short-Term Loans and Advances	93.79	208.40	754.59
Other current assets	-	-	-
Total Current assets	2,123.10	3,080.63	4,736.27
Total Assets	2,599.90	3,514.29	5,736.51

Cash Flow Statement			(In Lacs)
Particulars	FY 21	FY 22	FY 23
Net Cash Flow from Operating Activities	197.65	-479.36	-828.51
Net Cash Flow from Investing Activities	-79.27	41.19	-628.80
Net Cash Flow from Financing Activities	-87.06	460.62	1,569.89

*Ratios are not suitable for comparison due to the company converting from a partnership firm to a private limited for FY 22.

Ratio Sheet			
Particulars	FY 21	FY 22	FY 23
Per Share Data			
Diluted EPS	8.53	15.41	6.94
BV per share	8.48	0.24	8.52
Operating Ratios (%)			
EBITDA Margins	4%	3%	9%
PAT Margins	1%	1%	5%
Inventory days	39.63	88.45	65.78
Debtor days	66.73	70.48	47.29
Creditor days	29.20	31.65	3.83
Return Ratios (%)			
RoCE	14%	9%	42%
RoE	4%	262%	52%
Valuation Ratios (x)			
EV/EBITDA	7.01	13.05	4.65
Market Cap / Sales	1.31	1.38	0.71
P/E	8.21	4.54	10.09
Price to Book Value	8.25	290.63	8.22
Solvency Ratios			
Debt /Equity	0.88	90.75	3.84
Current Ratio	2.31	1.64	1.48
Quick Ratio	1.50	0.80	0.77
Asset Turnover	2.64	1.86	2.22
Interest Coverage Ratio	1.30	0.91	3.28

Financial Charts





Key Managerial Personnel

Rishit Dayalaji Kotecha, aged 42, is one of the Promoters, Chairman, and Managing Director of the company. He has an experience of around 20 years in the spices industry. He has completed a B.Sc. in Physics and Instrumentation. He has a wide knowledge of marketing and finance activities and looks after the financial, compliance and marketing activities of the company.

Hiren Vijaykumar Kotecha, aged 37, is one of the Promoters, and a Whole-Time Director of the company. He has an experience of around 20 years in the spices industry. He has completed his bachelor's degree in commerce. He looks after the planning, operations, and packaging activities of the company.

Dayalji Vanraavan Kotecha, aged 75, is one of the Promoters, and Non-Executive Director of the company. He is the founder of the company and has an experience of around 41 years in the spices industry.

Vijaykumar Vanraavan Kotecha, aged 66, is one of the Promoters and Non-Executive Director of the Company. He is the founder of the company and has an experience of around 41 years in the spices industry.

Foram Rishit Kotecha, aged 41, is one of the Promoters, and Non-Executive Director of the Company. She has completed her Bachelor of Science in Zoology and has completed her diploma in Food and Nutrition. She has an overall experience of 10 years in the field of food testing and recipe development of spice products.

Mayuri Hiren Kotecha, aged 35, is one of the Promoters, and Non-Executive Director of the company. She has completed the Higher Secondary Certificate Examination. She has an overall experience of 10 years in the field of real estate management.

Hasmukhbai Ishwarlal Hindocha, aged 61, is the Independent Director of the company. He has completed his graduation in commerce and has passed his LLB. He has an overall experience of 19 years in the field of law as an advocate.

Parth Bipin Sukhparia, aged 52, is the Independent Director of the company. He has completed his graduation in commerce and has completed his LLB. He has an overall experience of 28 years in the field of media consultant, writer, and journalist.

Chintan Ashokbhai Mehta, aged 32, is the Independent Director of the company. He has completed a Master of Commerce. He has an overall experience of 10 years in the field of accounting.