



**NIDHI BROKING
SERVICES PVT. LTD.**

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CIN: U74120MH2012PTC235227

ESSEN[®]
SPECIALITY FILMS LTD

INITIAL PUBLIC OFFERING

IPO NOTE: SUBSCRIBE FOR LONG-TERM & LISTING GAIN

Introduction

Essen Speciality Films Limited. manufactures and exports specialized plastic materials for the home renovation and home furnishings industries to well-known international modern trade stores like IKEA, Walmart, Kmart, Bed Bath & Beyond, Rusta, Runsven, Kohl's, Kroger, etc. The Government of India's Ministry of Commerce & Industry has named Essen a **"two-star export house."** They've received **two 'Best Supplier of the Year' honors from IKEA.** They run a fully integrated, environmentally friendly, and technologically cutting-edge manufacturing facility that has been recognized as meeting ISO 9001:2015 standards.

The **product line offered by Essen can be broadly divided into seven categories**, including bath and kitchen/dining, home décor, storage and organization, fitness and lifestyle, outdoor and utility, and customized goods, such as plastic films, spa slippers, baby shower caps, greenhouse gutter sheet, etc. Runner for shelf liners, Paperi for artificial plants and placemats, and Draperi for shower curtains are the three names that the company primarily markets and sells its products. Their customer base is diverse and spread across a variety of industries due to the multipurpose nature of their products, including but not limited to home furnishing, home decor, department stores, discount retailers, hypermarkets, hardware, and home improvement, office supply stores, the agricultural and medical sectors, as well as international importers and wholesale distributors.

Competitive Strength

Socially and ethically compliant

Essen is a top producer and exporter of specialized plastic goods to well-known multinational modern trade stores around the world. They are required to abide by a code of conduct that lays forth social, ethical, and welfare criteria in order to be qualified to offer their products to their international clients. The standards set forth by clients are compliant with local laws governing worker welfare, environmental protection, and waste management by a manufacturing unit as well as the UN Guiding Principles on Business and Human Rights (UNGPs). In order to assure adherence to the standards set forth by them, their clients also undertake published or unannounced audits.

Since its founding, the Company has collaborated with prominent international modern trade merchants, and as a result, has never encountered any significant cases of non-compliance or non-adherence to standards set by their clients or any independent inspection bodies.

Well-experienced management team

A group of people with strong backgrounds and years of experience in the niche plastics business lead Essen. Since the beginning, they have been connected with their Promoters. They are the company's founding members and take an active part in making strategic decisions about corporate and administrative matters, financial operations, expansion initiatives, business development, and management of the entire firm. They have a skilled and knowledgeable management team with strong management and execution skills and a wealth of knowledge in the specialized plastics sector. People with technical, operational, and business development experience make up the team.

The company has employed suitable technical and support staff to manage key areas of activities allied to operations. Their team is well-qualified and experienced in the diversified industries to which the Company caters and has been responsible for the growth of the company's operations.

Our Promoters, who form part of our executive management, have inculcated a culture of innovation and instilled a firm belief that product and process development is a key element of our growth and, will continue to be so. In line with this thinking, our Company has over the years made regular investments in products and processes. Development to expand our bouquet of product offerings and to streamline the manufacturing process.

Essep's Business Strategies

Increasing Global presence

With plans to expand their export business internationally, Essen currently exports goods to nations like China, Saudi Arabia, the United States of America, Qatar, the United Kingdom, Germany, Italy, Canada, Romania, Denmark, Poland, New Zealand, the United Arab Emirates, Spain, Austria, France, Australia, Kuwait, Belgium, Austria, Sweden, and Mexico. The Middle East, South America, Southern Europe, and the United Kingdom are just a few of the nations and territories where they intend to expand their business. Their top aim is offering a range of goods that are customized to the demands and requirements of the client. The company wants to expand its global presence and diversify the industries in which our products are used. To do this, it will combine improved capabilities, lower costs, a wider selection of products and services that adhere to international standards, marketing strategies, competitive pricing, and other factors.

Expanding customer base

Through numerous strategic initiatives, the company has established enduring connections with some of its clients, which they want to leverage by taking advantage of the cross-selling opportunities that its diverse product line provides. Additionally, the business intends to use its widened geographic reach to meet the sourcing needs of current international clients as and when they enter new regions, solidifying its position as a preferred supplier globally. The company provides customers with a dependable, practical, and affordable option to meet their needs and demands, and they intend to keep leveraging its sales and marketing network, diversified product portfolio, and industry standing to build relationships with new international, regional, and local clients and broaden their clientele.

Strengthening our marketing network

By selling items from the product catalogue that a specific consumer does not buy, Essen seeks to horizontally spread its products within its customer base. The corporation thinks that by being able to adapt its products to different industries and use them there, it may diversify its operations and reach new markets. Their primary area of expertise is in-depth comprehension of client requirements and preferences. Their mission is to adopt sustainable business practices and offer items of the highest caliber to win over customers. By adding competent and experienced staff who will complement our current marketing tactics in the domestic and international markets, the company hopes to strengthen its current marketing team.

Expanding existing product portfolio

Since its founding, the company has continuously worked to diversify its product line so that it can serve consumers in a variety of markets and industries. Accordingly, the company intends to further diversify into items with possibilities for greater growth and profitability, even as they work to continue strengthening their current product line. Essen intends to expand their product offerings in their present market categories and diversify into other markets by focusing on those that, in the management's opinion, have promising growth potential. We aspire to effectively expand into additional industries and geographical areas by leveraging our expertise, competitive advantage, and capacity for the timely delivery of high-quality products.

Issue details

Initial Public Offer (IPO) Dates: June 23 to June 27, 2023

Anchor issue bid open/close date: June 22, 2023



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Price Band: Rs.101 to Rs.107 per equity share offered

Lot Size: 1,200 Equity Shares

Minimum Investment: Rs. 1,21,200 (Lower Band) to Rs. 1,28,400 (Upper Band)

Present Offer	Equity Shares Offered	Amount (Rs. In Crores) (Upperband)
Total Equity Shares offered	61,99,200	66.33
The Offer consists of:		
Fresh Issue	46,99,200	50.28
Offer for sale	15,00,000	16.05
Offer reserved for		
Market Maker	3,10,800	3.33
Net offer to the Public	58,88,400	63.01
<i>Out of which</i>		
Anchor Investor Portion	17,65,200	18.89
Allocation to Mutual Funds	58,860	0.63
Allocation excluding to Mutual Funds	11,18,340	11.97
Non-Institutional Portion	8,84,400	9.46
Retail Portion	20,61,600	22.06

Utilization of Net Proceeds

(in Rs. Lakhs)

Particulars	Amount (in Rs. Lakhs)	% of net proceeds
Debt Repayment	353.91	5.33%
Funding the working capital requirements of the company	2,900	43.71%
General Corporate Purposes	To be Decided	To be Decided

Financial Highlights

(in Rs. Lakhs)

Particulars	FY 2023	FY 2022	FY 2021
Share capital	1,600.00	1,600.00	100.00
Net worth	8,561.89	7,224.66	6,707.76
Revenue from operations	11,861.18	11,743.58	9,577.70
Profit after Tax	1,337.23	516.90	913.73

Earnings per share	8.36	3.23	5.71
Total Borrowings	657.40	2,583.00	1,541.36
ROE	17.08%	8.14%	-

INDUSTRY KEY-FACTS

- The demand for PP in India increased at a CAGR of roughly 8.51% from 2015 to 2019 and is anticipated to expand at a respectable rate between 2022 and 2030.
- In the next five years, the government wants to grow the plastics industry to Rs. 10 lakh crore industry.
- India is a market for the plastics sector that is expanding, and by the year 2030, the country will utilize 30 million tonnes of plastic. The MSME sector accounts for 95% of the nation's plastic production facilities, and the government supports them through a variety of programmes.
- The plastic industry is playing a vital part in the 'Make in India' drive, with 3,500 modernized plastic recycling units and 4,000 unorganized recycling plants across the nation.

MANAGEMENT DETAILS

Exhibit 4: Details of Key Personnel

NAME	DESIGNATION	DETAILS
Pallav Kishorbhai Doshi	Chairman & Whole time Director	He holds bachelor's degree in engineering in electronic engineering with Nano technology from University of York. He has experience of more than a decade in the specialized plastics industry. He has been associated with the Company since 2011 and heads the production and the product development departments.
Kruti Rajeshbhai Doshi	Executive Director	She holds bachelor's degree in arts (interior design) from Saurashtra University. She has experience of more than a decade in the home improvement and home furnishing industry and heads the Quality Division of our Company.
Karishma Rajesh Doshi	Executive Director	She holds bachelor's degree in design from National Institute of Fashion Technology. She has three years of experience in home improvement and home furnishing industry and heads the human resource department of our Company.
Shital Bharatkumar Badshah	Independent Director	He holds bachelor's degree in engineering from Gujarat University. He has more seven than years of experience in the education sector and was previously associated with Indus Institute of Technology and Engineering and Ganpat University. He was also previously associated with Asea Brown Boverly Limited, Masibus Process Instruments Private Limited and Centre for Monitoring Indian Economy Private Limited.
Kirit Ratanashi Vachhani	Independent Director	He holds bachelor's degree in commerce from Saurashtra University. He has eight years of experience in the plastic industry.

Pratik Rajendrabhai Kothari	Independent Director	He has attended Saurashtra University to pursue bachelor's degree in commerce. He is the proprietor of M/s. Prateek Multichem India and a director on the board of directors of Prateek Multitrade Private Limited.
Jayantilal Tapubhai Jhalavadia	Chief Financial Officer	He is the Chief Financial Officer of our Company. He has attended Gujarat University to pursue a bachelor's degree in science. He has over four decades of experience in finance and accounts. He is a retired official of the State Bank of India and was earlier associated with Rajoo Engineers Limited, in the capacity of Chief Financial Officer. He will be handling the matters relating to finance and accounts of our Company and has been associated with our company since December 1, 2022.
Romit Ajaykumar Shah	Compliance Officer	He is the Compliance Officer and Company Secretary of our Company. He holds a bachelor's degree in Commerce from Saurashtra University. He is an associate member of the Institute of Company Secretaries of India. He has obtained his Management Training from M/S. PCS Nirav Dahyabhai Vekariya where he has handled secretarial matters of our Company and is appointed with effect from July 5, 2022.

KEY RISKS

- Essen has chosen an integrated business model, and the company's capacity to create unique, specialised plastic products that meet the needs of its consumers is a key factor in determining its financial success.
- Their integrated business model would be impacted by their inability to properly utilise and manage their PPD and Design Divisions to produce innovative goods, which would damage the utility of their products and, in turn, harm the revenue and profitability.
- A large amount of Essen's sales come from a select few clients, therefore any decline in sales from one of these customers could have a negative impact on the company's operations and financial performance.
- Essen doesn't have any long-term contracts with its clients because they run their business based on purchase orders.
- The business must abide by stringent regulatory regulations regarding the raw materials utilised in the manufacturing process. Failure to adhere to the pertinent environmental standards, as well as any noncompliance with or modifications to the laws that apply to us, might have a negative impact on our operations, financial position, and cash flow.
- Customers' success has a big impact on how well things do commercially. Customer industries or businesses could perform poorly, which could have a materially negative impact on business, financial position, and operational outcomes.



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KEY FINANCIALS**Balance Sheet***(in Rs. Lakhs)*

PARTICULAR	MAR'23	MAR'22	MAR'21
A. EQUITY AND LIABILITIES			
1. Shareholder's Fund			
(a) Share Capital	1,600.00	1,600.00	100.00
(b) Reserves & Surplus	6,961.89	5,624.66	6,607.76
Total	8561.89	7,224.66	6,707.76
2. non-current liabilities			
(a) Long-term Borrowings	324.42	353.91	-
(b) Deferred tax liabilities(net)	218.41	475.78	484.01
Total	542.83	829.69	484.01
3. Current Liabilities			
(a) Short term borrowings	332.98	2,229.09	1,541.36
(b) Trade Payables			
-Due to micro & small enterprises	129.24	58.92	24.26
-Due to others	906.84	1,196.35	1,243.73
(c) Other current liabilities	250.42	209.74	255.38
(d) Short term provisions	246.62	110.83	183.75
Total	1,866.10	3,804.93	3,248.48
Total equity & liabilities	10,970.82	11,859.28	10,440.25
B. ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment & Intangible Assets			
I. Property, Plant & Equipment	4,345.31	4,437.94	4,090.44
II. Intangible Assets	0.87	0.87	0.87
III. Capital Work in Progress	41.35	21.75	-
(b) Noncurrent investments	2.93	2.93	2.93
(c) Long-term loans & advances	114.82	114.82	114.85
(d) Other non-current assets	3.68	3.73	6.18
Total	4,508.96	4,582.04	4,215.26
(2) Current assets			
(a) Inventories	3,012.56	3,211.51	1,606.27
(b) Trade Receivables	1,690.15	1,440.44	1,424.03
(c) Cash & Cash equivalents	535.25	405.60	1,056.58
(d) Short-term loans & advances	1,010.57	1,852.89	2,089.94
(e) Other current assets	213.34	366.80	48.16
Total	6,461.86	7,277.23	6,224.98
Total Assets	10,970.82	11,859.28	10,440.24

Statement of Profit & Loss

(₹ in lacs)

Particular	31 March 2023	31 March 2022	31 March 2021
Revenue from Operations	11,861.18	11,743.58	9,577.70
Other Income	186.91	113.59	103.08
Total Income	12,048.09	11,857.17	9,680.78
Expenses			
Cost of Material Consumed	8,225.50	8,555.72	5,883.01
Purchases of Stock in Trade	-	0.23	4.69
Change in Inventories of work in progress and finished goods	(881.03)	(593.93)	(230.64)
Employee Benefit Expenses	1,273.08	1,308.46	966.38
Finance Costs	261.52	284.28	100.64
Depreciation and Amortization Expenses	374.32	394.69	625.07
Other Expenses	1,362.89	1,220.78	1,096.04
Total Expenses	10,616.28	11,170.23	8,445.18
Profit/Loss before Exceptional and Extraordinary item and Tax	1,431.81	686.94	1,235.60
Exceptional Item	-	-	-
Profit/Loss before Extraordinary Item and Tax	1,431.81	686.94	1,235.60
Extraordinary Item	-	-	-
Profit/Loss before tax	1,431.81	686.94	1,235.60
Tax Expenses			
-Current Tax	351.95	178.27	398.72
-Deferred Tax	(257.37)	(8.23)	(76.85)
Profit/Loss after Tax	1,337.23	516.90	913.73
Earnings Per Share (Face Value per Share Rs.10 each)			
-	8.36	3.23	5.71
- Basic	8.36	3.23	5.71
- Diluted			

Key Financial Ratios

Particulars	MAR'23	MAR'22	Change in %
Current Ratio	3.49	1.91	82.22%
Debt to Equity ratio	0.008	0.36	-78.55%
Debt Service Coverage Ratio	6.55	3.42	91.59%
Return on Equity ratio	17.08%	8.14%	109.85%
Inventory Turnover Ratio	3.81	9.40	-59.46%
Return on Capital Employed	14.62%	5.27%	177.31%
Net Profit ratio	11.37%	4.40%	158.42%



NIDHI BROKING SERVICES PVT. LTD.

Cash Flow Statement

Particulars	31 March 2023	31 March 2022	31 March 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit after tax	1,337.23	516.90	913.72
Depreciation and Amortisation Expense	374.32	394.69	625.07
Provision for tax	94.58	170.03	321.88
Effect of Exchange Rate Change	(82.38)	(66.02)	(12.00)
Loss/(Gain) on Sale / Discard of Assets (Net)	(63.14)	(7.11)	(0.88)
Bad debts written off	-	-	1.25
Non-cash expense	-	-	0.02
Interest Income	(18.67)	(19.62)	(16.32)
Finance Costs	261.52	284.28	100.64
Operating Profit before working capital changes	1,903.46	1,273.16	1,933.38
Adjustment for:			
Inventories	198.96	(1,605.24)	(714.58)
Trade Receivables	(135.61)	(27.74)	(663.98)
Other Current Assets	986.78	(110.80)	(457.13)
Trade Payables	(251.01)	79.95	1,001.36
Other Current Liabilities	40.77	(57.83)	113.36
Short-term Provisions	109.75	(15.75)	37.13
Cash generated from Operations	2,853.10	(464.25)	1,249.54
Tax paid (Net)	325.90	225.94	397.29
Net Cash from Operating Activities	2,527.20	(690.18)	852.25
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	(349.32)	(738.12)	(842.93)
Sale of Property, Plant and Equipment	117.18	7.80	0.63
Purchase of Investments Property	-	-	-
Sale of Investment Property	-	-	-
Purchase of Equity Instruments	-	-	-
Proceeds from Sale of Equity Instruments	-	-	-
Purchase of Mutual Funds	-	-	-
Proceeds from Sale / Redemption of Mutual Funds	-	-	-
Purchase of Preference Shares	-	-	-
Proceeds from Sale/Redemption of Preference Shares	-	-	-
Purchase of Government or trust securities	-	-	-
Proceeds from Sale/Redemption of Government or trust securities	-	-	-
Purchase of debentures or bonds	-	-	-
Proceeds from Sale/Redemption of debentures or bonds	-	-	-
Purchase of Other Investments	-	-	-
Sale / Redemption of Other Investments	-	-	-

Loans and Advances given/(taken) [Net]	3.06	(7.47)	(5.97)
Proceeds from Loans and Advances	-	-	-
Investment in and Maturity of Term Deposits [Net]	(98.61)	450.13	(757.62)
Maturity of Term Deposits	-	-	-
Interest received	18.67	19.62	16.32
Net Cash (Used in) Investing Activities	(309.03)	(268.05)	(1,589.56)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term Borrowings	(29.49)	353.91	-
Proceeds from and Repayment of Short-Term Borrowings [Net]	(1,896.11)	687.73	1,098.13
Dividends Paid (including Dividend Distribution Tax)	-	-	(200.00)
Interest Paid	(261.52)	(284.28)	(100.64)
Net Cash (Used in) / Generated from Financing Activities	(2,187.13)	757.37	797.49
Net (Decrease) in Cash and Cash Equivalents	31.04	(200.86)	60.17
Opening Balance of Cash and Cash Equivalents	19.19	220.05	159.87
Exchange difference of Foreign Currency Cash and Cash equivalents	-	-	-
Closing Balance of Cash and Cash Equivalents	50.23	19.19	220.04

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