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ESSEN SPECIALITY FILMS LIMITED

Corporate Identification Number: U24224GJ2002PLC041119

Our Company was incorporated on August 14, 2002 as 'Essen Speciality Films Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company pursuant to a resolution passed by our Shareholders at an extraordinary general meeting held on December 31, 2022 and consequently the name of our Company was changed to 'Essen Speciality Films Limited' and a fresh certificate of incorporation dated January 3, 2023 was issued by the Registrar of Companies, Gujarat at Ahmedabad. For further details please refer to chapter titled "History and Certain Corporate Matters" beginning on Page No. 116 of the Draft Red Herring Prospectus.

Registered Office: Plot No. A, Survey No. 192, Veraval (Shapar), Rajkot - 360 002, Gujarat, India

Website: www.essenspeciality.com; **E-Mail:** info@essenspeciality.com

Company Secretary and Compliance Officer: Mr. Romit Ajaykumar Shah

PROMOTERS OF OUR COMPANY: PALLAV KISHORBHAI DOSHI, KHUSHBOO CHANDRAKANT DOSHI AND KARISHMA DOSHI

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED MARCH 04, 2023: NOTICE TO THE INVESTORS ("THE ADDENDUM")

INITIAL PUBLIC OFFER OF UPTO 56,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF ESSEN SPECIALITY FILMS LIMITED (THE "COMPANY" OR "ESSEN" OR "ISSUER") AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UPTO ₹ [●] LACS ("PUBLIC OFFER") COMPRISING A FRESH ISSUE OF UPTO 45,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKH (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 7,00,000 EQUITY SHARES BY DEVYANIBEN CHANDRAKANT DOSHI, UPTO 2,00,000 EQUITY SHARES BY NITA KISHOR DOSHI; AND UPTO 2,00,000 EQUITY SHARES BY RAJESH NANALAL DOSHI ("THE SELLING SHAREHOLDERS") AGGREGATING UPTO 11,00,000 EQUITY SHARES BY THE SELLING SHAREHOLDERS ("OFFER FOR SALE") AGGREGATING TO ₹ [●] LAKH OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LACS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LACS IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE PUBLIC OFFER AND NET OFFER WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

Potential Bidders may note the following:

- In the sections "Cover Pages", "Definition and Abbreviations", "Offer Document Summary", "Risk Factors", "General Information", "Capital Structure", "Objects of the Offer", "Basis For Offer Price", "Our Business", "Our Management" and "Our Promoter and Promoter Group", and "Offer Procedure" provided herein below as part of Addendum, modifications have been updated.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus

On behalf of Essen Speciality Films Limited

Sd/-

Place: Rajkot

Date: April 22, 2023

Mr. Romit Ajaykumar Shah

Company Secretary & Compliance Officer

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
<p>GYR CAPITAL ADVISORS PRIVATE LIMITED (Formerly known as Alpha Numero Services Private Limited) 428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahmedabad -380 054, Gujarat, India. Telephone: +91 87775 64648 Fax: N.A. E-mail: info@gyrcapitaladvisors.com Website: www.gyrcapitaladvisors.com Investor grievance: investors@gyrcapitaladvisors.com Contact Person: Mr. Mohit Baid SEBI Registration Number: INM000012810 CIN :- U67200GJ2017PTC096908</p>	<p>BIGSHARE SERVICES PRIVATE LIMITED Office No. 56-2, 6th Floor, Pinnacle Business Park, Next to Ahura Center, Mahakali Caves Road, Andheri East, Mumbai-400 093, Maharashtra, India. Tel: +91 22 6263 8200 Fax: +91 22 6263 8299 Email: ipo@bigshareonline.com Website: www.bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Contact Person: Mr. Aniket Chindarkar SEBI Registration Number: INR000001385 CIN :- U99999MH1994PTC076534</p>
BID/ISSUE PERIOD	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

1. **ENTIRE OFFER DOCUMENT:**

Entire offer document has been updated to give grammatical changes consequent to inclusion of Ms. Karishma Doshi as promoter i.e. word “Promoters” shall represent 3 promoters Pallav Kishorbhai Doshi, Khushboo Chandrakant Doshi And Karishma Doshi, where ever necessary.

2. **COVER PAGES:**

- a. Name of Ms. Karishma Doshi has been included as Promoter on both cover pages.

Below is the revised text:

“PROMOTERS OF OUR COMPANY: PALLAV KISHORBHAI DOSHI, KHUSHBOO CHANDRAKANT DOSHI AND KARISHMA DOSHI”

3. **DEFINITIONS AND ABBREVIATIONS:**

- a. Definition of promoter of the company has been updated by including Karishma Doshi under the table titled “General and Company related terms” on page 05 of Draft Red Herring Prospectus.

Below is the revised text:

Term	Description
Our Promoters	Pallav Kishorbhai Doshi, Khushboo Chandrakant Doshi and Karishma Doshi

4. **OFFER DOCUMENT SUMMARY:**

- a. Name of Ms. Karishma Doshi has been included as Promoter under the paragraph titled “Promoter” on page 20 of Draft Red Herring Prospectus.

Below is the revised text:

Promoters

Promoters of Our Company are Pallav Kishorbhai Doshi, Khushboo Chandrakant Doshi and Karishma Doshi. For detailed information on our Promoters and Promoter’s Group, please refer to Chapter titled “Our Promoters and Promoter’s Group” on page no. 131 of the draft Red Herring Prospectus.

- b. Shareholding Pattern of the company has been updated under the table titled “Aggregate Pre Offer Shareholding of Promoters and Promoter Group and Selling Shareholders” on page 21 of Draft Red Herring Prospectus.

Below is the revised text:

Aggregate Pre Offer Shareholding of Promoters and Promoter Group and Selling Shareholders

Following are the details of the pre-Offer shareholding of Promoters and Promoter Group:

Sr. No.	Name of the Shareholders	Pre-Offer	
		Number of Equity Shares	% of Pre-Offer Equity Share Capital
<i>Promoter</i>			
1.	Pallav Kishorbhai Doshi	13,60,000	08.50
2.	Khushboo Chandrakant Doshi	21,60,000	13.50
3.	Karishma Rajesh Doshi	32,80,000	20.50
<i>Promoter Group</i>			
4.	Nita Kishor Doshi	16,80,000	10.50
5.	Devyaniben Chandrakant Doshi	18,40,000	11.50
6.	Utsav Kishorkumar Doshi	20,00,000	12.50

Sr. No.	Name of the Shareholders	Pre-Offer	
		Number of Equity Shares	% of Pre-Offer Equity Share Capital
7.	Utkarsh Rajesh Doshi	19,20,000	12.00
8.	Kruti Rajeshbhai Doshi	9,60,000	06.00
9.	Rajesh Nanalal Doshi	8,00,000	05.00
Total		1,60,00,000	100.00

Following are the details of the pre-Offer shareholding of the Selling Shareholders:

Sr. No.	Name of the Shareholders	Pre-Offer	
		Number of Equity Shares	% of Pre-Offer Equity Share Capital
Selling Shareholders			
1.	Nita Kishor Doshi	16,80,000	10.50
2.	Devyaniben Chandrakant Doshi	18,40,000	11.50
3.	Rajesh Nanalal Doshi	8,00,000	5.00
Total		53,20,000	26.00

- c. **Weighted Average cost of Acquisition for shares acquired by Karishma Rajesh Doshi has been updated under the table titled “Weighted Average Price of the Equity Shares acquired by our Promoters and Selling Shareholders in the last one year preceding the date of the draft Red Herring Prospectus” and “Average Cost of Acquisition of Equity Shares for Promoters and Selling Shareholders” on page 23 of Draft Red Herring Prospectus.**

Below is the revised text:

The details of the weighted average price of the Equity Shares acquired by our Promoters in the last one year preceding the date of the draft Red Herring Prospectus is as follows:

Name of Promoters	No. of shares acquired in last one year from the date of the draft Red Herring Prospectus	Weighted Price (in ₹)	Average
Promoters			
Pallav Kishorbhai Doshi	Nil	Nil	
Khushboo Chandrakant Doshi	Nil	Nil	
Karishma Rajesh Doshi	Nil	Nil	
Selling Shareholders			
Devyaniben Chandrakant Doshi	Nil	Nil	
Nita Kishor Doshi	Nil	Nil	
Rajesh Nanalal Doshi	Nil	Nil	

The average cost of acquisition of Equity Shares for the Promoters is as follows:

Name of Promoter	No. of shares held	Average Cost of Acquisition (in ₹)
Promoters		
Pallav Kishorbhai Doshi	13,60,000	0.62
Khushboo Chandrakant Doshi	21,60,000	0.12
Karishma Rajesh Doshi	32,80,000	0.44
Selling Shareholders		
Devyaniben Chandrakant Doshi	18,40,000	0.387
Nita Kishor Doshi	16,80,000	0.435
Rajesh Nanalal Doshi	8,00,000	Nil

4. **Risk Factors:**

Confirmation, Addition and Updation to Risk Factors has been made.

- a) **Updation of Risk Factor Number 38 and re-numbered it as Risk Factor No. 15 under chapter titled ‘Risk Factor’ in the Red Herring Prospectus / Prospectus.**

15. Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.

Our Company is involved in various business transactions with international clients and has to conduct the same in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of such payments in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularize the payment. Similarly, due to our sacrosanct reliance on our primary raw material being polymer we are exposed to a risk of increase in costs of raw materials due to the currency fluctuations. Further, our international operations (export sales) make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it could adversely affect our business, results of operations, financial conditions and cash flows.

- b) **Addition with respect to Risk Factor No. 11, 21, 22 has been done as below:**

11. We highly depend on our key raw materials and a few key suppliers who help us procure the same. Our Company has not entered into long-term agreements with its suppliers for supply of raw materials. In the event we are unable to procure adequate amounts of raw materials, at competitive prices our business, results of operations and financial condition may be adversely affected.

Our Company is engaged in the business of manufacturing specialized plastic products for the home improvement and home furnishing industry for renowned modern multi-national retailers. We mainly use following raw materials 1. Low Density Poly Ethylene (LDPE), 2. Poly Propylene (PP), 3. Ethylene Vinyl Acetate (EVA), 4. High Density Poly Ethylene (HDPE), 5. Thermo Plastic Elastomer (TPE), 6. Thermoplastic Poly Olefin (TPO), which we procure domestically and also import from countries such as, China, Taiwan or Middle East. Therefore, we are highly dependent on these raw materials and they form an important and primary components of our manufacturing process. Thus, if we experience significant increase in demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all.

We depend on a number of suppliers for procurement of raw materials required for manufacturing our products. Our Company maintains a list of registered and unregistered suppliers from whom we procure the materials on order basis as per our internal demand projections. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacture of our products, could have a material adverse effect on our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside us.

Further, the amount of raw materials procured and the price, at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations, including those relating to the packaging industry in general. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Further, we also cannot assure you with a reasonable certainty that the raw materials that we would procure in the future will not be defective. In the absence of formal agreements, should we receive any defective raw materials, we may not be in a position to recover any advance payments made or claim compensation from our suppliers consequently increasing the manufacturing costs and/or reducing the realization of our finished products. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins which could adversely affect our business, results of operations and financial condition.

21. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control*

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, please see the section titled “Objects of the Issue” beginning on page 50 of this Prospectus.

22. *Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.*

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past, the details of which are provided below:

(₹ in lacs)

Particulars	Nine month period ended 31 December, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Net Cash Flow from/(used in) Operating Activities	1,109.39	(985.89)	841.32	730.82
Net cash generated from/(used in) investing activities	(298.43)	(435.72)	(831.94)	(156.14)
Net Cash Flow from/(used in) Financing Activities	405.59	1,056.58	238.78	255.98

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition.

30. *We have in past entered into related party transactions and we may continue to do so in the future.*

As of December 31, 2022, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group relating to our operations. In addition, we

have in the past also entered into transactions with other related parties. For further details, please refer to the chapter titled — “Restated Financial Information- Annexure – 138: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements-Related Party Disclosures” at page 138.

While we believe that all our related party transactions have been conducted on an arm’s length basis, and we confirm that the related party transactions entered into by the company are in compliance with the relevant provisions of Companies Act and other applicable laws .We cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

3. **General Information:**

Reason for Resignation Auditor has been included:

Below is the revised text:

Changes in Auditors during the last three years

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

Name of Auditor	Date of Change	Reason for change
Purvi Raval & Associates Chartered Accountants Rajkot – 360 001, Gujarat, India. Email: rbshah_advocate@yahoo.com Firm Registration No.: 130743	December 10, 2021	Resignation as Statutory Auditor of the Company due to Pre-Occupation in other Assignments
Rushabh R. Shah and Co. Chartered Accountants A 201, The Imperial Heights, Opp. Big Bazar, 150 Ft Ring Road, Rajkot – 360 005, Gujarat, India. Email: rushabh@rbshah.co.in Firm Registration No.: 607585	December 11, 2021	Appointment as the statutory auditor to fill-in the casual vacancy.
Rushabh R. Shah and Co. Chartered Accountants A 201, The Imperial Heights, Opp. Big Bazar, 150 Ft Ring Road, Rajkot – 360 005, Gujarat, India. Email: rushabh@rbshah.co.in Firm Registration No.: 607585 Peer Review Certificate No : 014853	September 30, 2022	Regularisation of appointment as the statutory auditor of our Company.

4. **CAPITAL STRUCTURE:**

- a. Built-up of Shares held along with number of shares held and percentage of shares held by Promoters has been updated under paragraph 11 titled “Shareholding of our promoters” on page 64 of Draft Red Herring Prospectus

Below is the revised text:

Shareholding of our Promoter

Set forth below are the details of the build-up of shareholding of our Promoters:

Date of Allotment and made fully paid up/ Transfer	Nature of Transaction	Consideration	No. of Equity Shares	F. V (in Rs.)	Offer / Transfer Price (in Rs.)	Cumulative no. of Equity Shares	% of Pre-Offer Equity Paid Up Capital	% of Post-Offer Equity Paid Up Capital	No. of Shares Pledged	% of shares pledged
<i>Pallav Kishorbhai Doshi</i>										
March 27, 2009	Transfer from Girish C Pandya	Cash	20,000	10	10	20,000	0.12	[•]	-	-
	Transfer from Jawahar C Pandya HUF	Cash	10,000	10	10	30,000	0.18	[•]	-	-
	Transfer from Girish C Pandya HUF	Cash	10,000	10	10	40,000	0.25	[•]	-	-
	Transfer from Devyaniben Doshi	Cash	25,000	10	10	65,000	0.40	[•]	-	-
	Transfer from Bipinbhai Panchamia	Cash	20,000	10	10	85,000	0.53	[•]	-	-
September 2, 2021	Bonus Issue	Consideration other than Cash	12,75,000	10	-	13,60,000	8.50	[•]	-	-
Total			13,60,000			13,60,000	8.50	[•]	-	-
<i>Khushboo Chandrakant Doshi</i>										
July 1, 2005	Right Issue	Cash	27,000	10	10	27,000	0.16	[•]		
October 18, 2006	Bonus Issue	Consideration other than Cash	54,000	10	-	81,000	0.50	[•]	-	-
October 22, 2008	Bonus Issue	Consideration other than Cash	54,000	10	-	1,35,000	0.84	[•]	-	-
September 2,	Bonus Issue	Consideration other	20,25,000	10	-	21,60,000	13.50	[•]	-	-

2021		than Cash								
Total			21,60,000				13.50	[●]	-	-
Karishma Rajesh Doshi										
March 26, 2010	Transfer from Mr. Rajesh Nanalal Doshi	Cash	80,000	10	10	80,000	8	[●]		
October 15, 2010	Transfer from Mr. Chandrikaben Aghera	Cash	65,000	10	10	1,45,000	14.5	[●]	-	-
September 02, 2021	Bonus Issue	Other than Cash	21,75,000	10	10	23,20,000	14.5	[●]	-	-
December 13, 2021	Gift from Ms. Lakshmi Ramakrishnan	-	9,60,000	10	-	32,80,000	20.5	[●]	-	-
Total			32,80,000				20.50	[●]	-	-

- b. Promoter group details are updated under the point 13 titled “Details of the Shareholding of the members of the Promoter Group”

Below is the revised text:

The details of the Shareholding of the members of the Promoter Group as on the date of the draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholders	Pre-Offer	
		Number of Equity Shares	% of Pre-Offer Equity Share Capital
1.	Nita Kishor Doshi	16,80,000	10.50
2.	Devyaniben Chandrakant Doshi	18,40,000	11.50
3.	Utsav Kishorkumar Doshi	20,00,000	12.50
4.	Utkarsh Rajesh Doshi	19,20,000	12.00
5.	Kruti Rajeshbhai Doshi	9,60,000	06.00
6.	Rajesh Nanalal Doshi	8,00,000	05.00
Total		92,00,000	57.50

- c. Details of shares held by Karishma Rajesh Doshi has been updated under paragraph 16 titled “Promoter’s Contribution and other Lock-In details” on page 65 of the Draft Red Herring Prospectus.

Below is the revised text:

Number of Equity Shares locked-in ^{*(1)(2)(3)}	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in ₹)	Offer / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post-Offer paid-up capital	Period of lock-in
PALLAV KISHORBHAI DOSHI							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 Year
SUB-TOTAL						[●]	
KHUSHBOO CHANDRAKANT DOSHI							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 Year
SUB-TOTAL						[●]	
KARISHMA RAJESH DOSHI							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 Year
SUB-TOTAL						[●]	

5. Object of the offer

Below is the revised text:

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(in ₹ lakhs)

Particulars	Total estimated amount ⁽²⁾	Estimated deployment of the Net Proceeds
		Fiscal 2024
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company	Upto 353.91	Upto 353.91
Funding the working capital requirements of our Company	Upto 2900.00	Upto 2900.00
General corporate purposes ⁽¹⁾	[●]	[●]
Total⁽¹⁾	[●]	[●]

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the gross proceeds from the Fresh Issue.

Funding the working capital requirements of our Company

Our Company proposes to utilise ₹ 2900.00 lakhs from the Net Proceeds towards funding its working capital requirements in Fiscal 2024.

On the basis of the existing and estimated working capital requirement of our Company on a standalone basis, and assumptions for such working capital requirements, our Board pursuant to its resolution dated March 28, 2023 has approved the estimated working capital requirements for Fiscals 2023 and 2024 as set forth below:

(₹ lakhs)

S. No.	Particulars	Fiscal 2023	Fiscal 2024
(A)	Current assets		
(a)	Inventories	3532.66	4239.19
(b)	Financial assets		
	Trade receivables	1584.48	2218.28
	Cash and Bank Balance	385.31	443.11
	Short term loans & advances	1897.09	2371.36
(c)	Other current assets	377.79	566.69

S. No.	Particulars	Fiscal 2023	Fiscal 2024
	Total current assets (A)	7777.34	9838.63
(B)	Current liabilities		
(a)	Financial liabilities		
	Trade payables	941.45	847.31
(b)	Provisions, other current liabilities and current tax liabilities (net)	480.86	456.81
	Total current liabilities (B)	1422.31	1304.12
(C)	Total working capital requirements (C = A – B)	6355.03	8534.51
(D)	Funding pattern		
(a)	Proceeds from the Offer	0.00	2900.00
(b)	Borrowings from banks, financial institutions and non-banking financial companies or internal accruals	6355.03	5634.51
	Total	6355.03	8534.51

Assumptions for our estimated working capital requirements

Days	Fiscal 2020 (Actual)	Fiscal 2021 (Actual)	Fiscal 2022 (Actual)	Fiscal 2023 (Estimated)	Fiscal 2024 (Estimated)
Inventories	43.61	47.60	74.87	95.63	90.92
Trade receivables	39.66	41.73	44.52	43.88	44.49
Trade payables	30.87	38.19	42.91	33.31	34.13

Key assumptions for working capital requirements

Our Company's estimated working capital requirements on a standalone basis are based on the following key assumptions:

S. No.	Particulars	Assumptions
Current Assets		
1	Trade Receivables	The historical holding days of Trade Receivables has been in the range of 39 to 45 days in the last three financial years, with average Trade Receivables days of 41.97 days in the last three financial years. As per the current credit terms of the Company and prevalent trend in the business of the Company, the holding level for receivables anticipated at 44 days of total gross sales during FY 2022-23 and at 45 days of total gross sales during FY 2023-24.
2	Inventories	The historical holding days of inventories has been in the range of 43 to 75 days in the last three financial years, and in the range of 48 to 75 days in the last two financial years. Our Company estimates inventory holding days at around 96 days in FY 2022-23 at around 91 days in FY 2023-24. This seems to be reasonable in view of the lead time of procurement of raw materials, process cycle time and lifting time taken by the customers. Also, it seems to be reasonable considering the nature and volume of business activity of the Company.
Current Liabilities		
1	Trade Payables	We intend to decrease the credit period expected from our Creditors due to fulfillment of our working capital requirements through our proposed initial public issue. This will help us in better negotiations and maintaining sound business relations with our creditors.

6. **Basis of offer Price:**

The name of the Shaily Engineering Plastics Limited has been corrected.

Below is the revised text:

The following peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses:

Name of the Company	CMP*	EPS (₹)	Face Value (₹)	P/E Ratio*	RoNW (%)	NAV Per Share	Total Income (₹ in Lakhs)
Peer Group							
Shaily Engineering Plastics Limited	1103.55	23.17	10.00	68.13	07.00%	261.00	46942.76
Supreme Industries Limited	2698.40	39.83	2.00	61.51	13.00%	111.00	662165.00
Our Company**	[●]	4.31	10.00	[●]	08.71%	49.46	8362.26

**Source: All the financial information for listed industry peers mentioned above is on consolidated basis, sourced from the filings made with stock exchanges, available on www.bseindia.com for the nine months ending December 31, 2022. The current market price and related figures are as on March 02, 2023.*

***The details shall be provided post the fixing of the price band by our Company at the stage of the red herring prospectus or the filing of the price band advertisement*

7. **Our Business:**

Disclosure with respect to the process of job work contract offered/done by the company has been made.

Below is the revised text:

Our Company is a manufacturer of sustainable plastic products for home improvement and home furnishing industry. We follow a 'Product, Packaging and Energy' ("PPE") model to achieve complete sustainability in our business operations. Our customers mandate our Company to manufacture our products from renewable or recycled materials, therefore most of the products that our Company manufactures consists of at least 25% post-consumer and/or post-industrial recycled plastic. Further, our packaging material has been certified by the Forest Stewardship Council GmbH, which promotes responsible management of the world's forests via timber certification and therefore enables us to achieve absolute product traceability and sustainability. Lastly, the manufacturing unit of our Company is substantially operated through our solar plant situated at Revenue Survey No 76 Paiki 3, Industrial Area, Vill: Hadamtala, Ta: Kotda Sangani, Dist: Rajkot – 360 311 and electricity for our unit is also sourced from reliable external sources which supply energy produced by renewable sources. Our Company holds renewable energy certificates which corroborate that our Company sources energy which is produced by renewable sources and therefore signifies that our manufacturing unit is operated using renewable energy, thereby empowering us in becoming a responsible, ethical and socially responsible green unit. In addition to the above, our Company has adopted a circular manufacturing process, We in our Manufacturing units mainly use following raw materials 1. Low Density Poly Ethylene (LDPE), 2. Poly Propylene (PP), 3. Ethylene Vinyl Acetate (EVA), 4. High Density Poly Ethylene (HDPE), 5. Thermo Plastic Elastomer (TPE), 6. Thermoplastic Poly Olefin (TPO), we procure EVA which is 100% imported from China, Taiwan or middle East, and other materials are available from suppliers in India or from Overseas, **Wherein the plastic waste generated while manufacturing our finished products, is again used as a raw material for manufacturing the said product the process of the same is conduct by the our**

job workers by following the below procedure :-

Our company provides such wastage to the job worker organization with specifications for the job to be completed once the job is finished, the job worker would return the finished product to us which would then use it as a raw material for the final product.

This method of outsourcing can be beneficial for companies because it allows them to focus on their core competencies and leave specialized tasks to other companies. It can also help reduce costs and increase efficiency.

Our manufacturing unit houses extrusion plants, which help process the plastic waste into pallet, which is our key raw material, and also make it compliant with the standards prescribed by our customers and the regulators of the countries, in which we export our products, thereby reducing our raw material expenditure and also making our Manufacturing Unit a 'zero-discharge' unit.

8. Our Management:

Experience of Mr. Romit Ajaykumar Shah has been included.

Below is the revised text:

Romit Ajaykumar Shah, aged 29 years, is the Company Secretary and Compliance Officer of our Company. He holds a Bachelor's Degree in Commerce from Saurashtra University, Gujarat. 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 compliances matters he is a fresher. He is responsible for handling secretarial matters of our Company and is appointed with effect from July 5, 2022.

9. OUR PROMOTER AND PROMOTER GROUP:

- a. **Name of Karishma Rajesh Doshi has been updated as Promoter in the introduction portion on page 131 of Draft Red Herring Prospectus.**

Below is the revised text:

As on the date of the draft Red Herring Prospectus, our Promoters holds, in aggregate of 68, 00,000 Equity Shares, and constituting 42.50% of our pre – Offer issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please refer chapter titled "*Capital Structure*" beginning on Page No. 59 of the Draft Red Herring Prospectus.

- b. **Relevant details i.e. Brief Profile, Date of Birth, Age, PAN, Educational Qualification, Residential Address, Directorships held and other ventures of Karishma Rajesh Doshi have been updated on page 156 of Draft Red Herring Prospectus.**

Below is the revised text:

Details of our Promoters



PALLAV KISHORBHAI DOSHI

Pallav Kishorbhai Doshi, aged 34 years, is the Whole Time Director and Promoter of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “*Our Management*” beginning on Page No. 119 of the Draft Red Herring Prospectus.

Date of Birth: August 17, 1988

Permanent account number: AJXPD7122N

Driving license number: GJ03/018342/08

Address: Shrulina, Block No. 10/C, Panchavati Society, Street No.-8, Kalawad Road, Rajkot – 360 001, Gujarat, India



KHUSHBOO CHANDRAKANT DOSHI

Khushboo Chandrakant Doshi, aged 40 years, is the Promoter of our Company. She has over 15 years of experience in the area of marketing, business development, human resources, customer care and finance. She holds a bachelor’s degree in architecture from Sardar Patel University and a master’s degree in arts (product design) from University of Central England in Birmingham. She also holds a post graduate diploma in product design from University of Central England in Birmingham. She has been association with our Company since incorporation and is also the Promoter and Managing Director of Rajoo Engineers Limited. She has been nominated for “India SME Excellence Awards” under the category of “Women Entrepreneur of the Year” by SME Chamber of India.

Date of birth: July 24, 1982

Permanent account number: AEUPD8244H

Driving license number: NA

Address: Dio, Rajan Park, Behind Panchavati Hall, Rajkot – 360 001, Gujarat, India



KARISHMA RAJESH DOSHI

Karishma Rajesh Doshi, aged 31 years, is the Promoter of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “*Our Management*” beginning on Page No.119 of the Draft Red Herring Prospectus.

Date of birth: February 28, 1992

Permanent account number: AUPPD9230Q

Driving license number: NA

Address: Shrutina 10-C, Panchvati Society Street No-08, Kalawad Road, Rajkot - 360001

- c. Names of the other venture of the karishma Rajesh Doshi has been updated under paragraph titled “Other Ventures of our Promoters” on page 131 of Draft Red Herring Prospectus.

Below is the revised text:

Other Ventures of our Promoters

The ventures in which our Promoters is involved in are as follows:

a) Pallav Kishorbhai Doshi

Name of the Venture	Nature of Interest
Rajoo Engineers Limited	Shareholder
Wonderpack Formers Private Limited	Shareholder and director
Essen Speciality Disposables LLP	Designated partner
Rajoo Innovation Centre LLP	Partner
Shrutina Nexgen LLP	Designated partner
Rajoo Bio-Technology Park LLP	Designated partner
Pallav Kishorbhai Doshi (HUF)	Karta
Kishorbhai N Doshi (HUF)	Coparcener

b) Khushboo Chandrakant Doshi

Name of the Venture	Nature of Interest
Rajoo Engineers Limited	Shareholder and director
Wonderpack Formers Private Limited	Shareholder
Essen Speciality Disposables LLP	Partner
Rajoo Innovation Centre LLP	Designated partner
Ayakasma Health Science LLP	Designated partner
Shrutina Nexgen LLP	Designated partner
Avantgarde Design Studio Private Limited	Shareholder and director
Rajoo Bausano Extrusion Private Limited	Shareholder and director
Shwetang Rameshchandra Monani (HUF)	Coparcener

c) Karishma Rajesh Doshi

Name of the Venture	Nature of Interest
Rajoo Engineers Limited	Shareholder
Wonderpack Formers Private Limited	Shareholder
Essen Speciality Disposables LLP	Partner
Rajoo Innovation Centre LLP	partner
Ayakasma Health Science LLP	Designated partner
Shrutina Nexgen LLP	Designated partner

- d. Names of relatives of Karishma Rajesh Doshi has been updated under paragraph titled “Our Promoter’s Group” point titled “Individuals forming part of the Promoter Group” and “Entities forming part of the Promoter Group” on page 133 of Draft Red Herring Prospectus.

Below is the revised text:

A. OUR PROMOTERS GROUP

In addition to our Promoter, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations:

Individuals forming part of the Promoter Group:

Name of the Promoters	Name of the member of Promoter Group	Relationship with the Promoter
Pallav Kishorbhai Doshi	Kishorbhai Nanalal Doshi	Father
	Nita Kishor Doshi	Mother
	Chandani Pallav Doshi	Spouse
	Utsav Kishorbhai Doshi	Brother
	-	Son
	-	Daughter
	Kothiya Mansukhbhai Bhurabhai	Spouse's father
	Kothiya Jyotsanaben Mansukhbhai	Spouse's mother
	Sagar Mansukhbhai Kothiya	Spouse's Brother
	-	Spouse's Sister
Khushboo Chandrakant Doshi	Late Chandrakant Nanalal Doshi	Father
	Late Shrutiben Chandrakant Doshi	Mother
	Devyani Chandrakant Doshi	Mother
	Kishorbhai Nanalal Doshi	Father's brother
	Shwetang Rameshchandra Monani	Spouse
	-	Sister
	Aayank Shwetang Monani	Son
	-	Daughter
	Rameshchandra Popatlal Monani	Spouse's father
	Late Pallaviben R. Monani	Spouse's mother
	Dhaval Rameshchandra Monani	Spouse's brother
	-	Spouse's sister
Karishma Rajesh Doshi	Mr. Rajesh Nanalal Doshi	Father
	Late Ms. Ritaben R. Doshi	Mother
	Mr. Ankit Shah	Spouse
	Mr. Utkarsh Rajeshbhai Doshi	Brother
	Ms. Kruti Rajeshbhai Doshi	Sister
	-	Daughter
	-	Son
	Late Ajay Kishor Shah	Spouse's father
	Ms. Chhayaben Ajay Shah	Spouse's mother
	-	Spouse's Brother
	-	Spouse's Sister

Entities forming part of the Promoter Group:

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

Sr. No.	Name of the entity
1.	M/s. Ayaksma Health Science LLP
2.	Wonderpack Formers Private Limited
3.	Avantgarde Design Studio Private Limited
4.	Rajoo Bio-Technology Park LLP
5.	Essen Speciality Disposables LLP
6.	Rajoo Innovation Centre LLP
7.	Shrutina Nexgen LLP
8.	Rajoo Engineers Limited
9.	Rajoo Cotex Limited
10.	Shrutina Foundation
11.	Rajoo Bausano Extrusions Private Limited

Sr. No.	Name of the entity
12.	Kishorbhai N Doshi (HUF)
13.	Shwetang Rameshchandra Monani (HUF)
14.	Utsav Kishorbhai Doshi (HUF)
15.	Pallav Kishorbhai Doshi (HUF)
16.	Prompt Financial Services Private Limited
17.	Mcube Procon Private Limited
18.	M/s. French Furniture Accessories

10. Offer Procedure:

Signing of the Underwriting Agreement and the ROC filing has been added.

Below is the revised text:

Our Company has entered into Agreement with the Underwriters on [·], 2023.