



DOMS INDUSTRIES LIMITED

IPO NOTE

December 2023

ISSUE HIGHLIGHTS

- DOMS Industries Limited (“DOMS”) was incorporated on October 24, 2006. DOMS design, develop, manufacture, and sell a wide range of stationery and art products, primarily under the flagship brand ‘DOMS’, in the domestic market as well as in over 45 countries internationally, as of September 30, 2023.
- They are the 2nd largest player in India’s branded ‘stationery and art’ products market, with a market share of ~12% by value, as of Fiscal 2023.
- Their core products such as ‘pencils’ and ‘mathematical instrument boxes’ enjoy high market shares of 29% and 30% by value in Fiscal 2023 respectively.
- DOMS offers well-designed and quality ‘stationery and art material’ products to consumers, which they classify across 7 categories: (i) scholastic stationery; (ii) scholastic art material; (iii) paper stationery; (iv) kits and combos; (v) office supplies; (vi) hobby and craft; and (vii) fine art products.
- Company’s partnership with **FILA** has enabled them to gain access to international markets for distribution of their products, augmentation of their R&D and technological capabilities.
- Company’s products are marketed under their flagship brand ‘DOMS’ along with other brand/sub-brands including ‘C3’, ‘Amariz’, and ‘Fixyfix’. While ‘wooden pencils’ is their largest product in terms of revenue, contributing 31.66% to their Gross Product Sales amounting to ₹ 389.99 crore as of Fiscal 2023 and ₹252.41 crore for the 6 months period ended September 30, 2023 respectively,
- DOMS operates 13 manufacturing facilities across Umbergaon, Gujarat, spread over approximately 34 acres of land covering approximately 1.18 msf and is one of the largest stationery manufacturing facilities in India. Their annual installed capacity as on March 31, 2023, for the key products was 473.49 crore units.
- They also operate 1 manufacturing facility which is spread across approximately 2 acres of land covering approximately 0.07 million square feet at Bari Brahma, in Jammu and Kashmir.
- Their domestic distribution network for general trade comprises of over 120 super-stockists, and 4,000 distributors along with a dedicated sales team of over 500 personnel covering more than 120,000 retail touch points over 3,500 cities and towns.

BRIEF FINANCIAL DETAILS*

(₹ IN Cr)

	As at Sep’30,	As at Mar’ 31,		
	2023 (06)	2023 (12)	2022 (12)	2021 (12)
Share Capital	56.25	0.37	0.37	0.37
Reserves	341.36	337.06	246.87	233.24
Net Worth as stated	397.61	337.43	247.25	233.61
Revenue from Operations	761.80	1,211.89	683.60	402.82
Revenue Growth (%)	-	77.28%	69.71%	-
EBITDA	127.45	186.66	69.71	30.03
EBITDA Margin (%)	16.73%	15.40%	10.20%	7.45%
Profit before Tax	99.14	138.76	24.02	(7.58)
Net Profit for the period	73.91	102.87	17.14	(6.03)
Net Profit Margin (%) as stated	9.70%	8.49%	2.51%	(1.50)%
EPS - Basic & Diluted (₹)	13.14 [^]	18.29	3.05	(1.07)
RONW (%)	18.59% [^]	30.49%	6.93%	(2.58)%
Net Asset Value (₹) as stated	70.69	59.99	43.95	41.53
ROE (%) as stated	19.01% [^]	33.54%	6.86%	NA
ROCE (%) as stated	18.04% [^]	33.31%	10.04%	0.36%

Source: RHP, *Restated Summary Statement; [^] not annualised; EPS and NAV calculated on increased capital.

Issue Details

Fresh Issue of Equity Shares aggregating upto ₹350 Cr and Offer for Sale of Equity Shares aggregating upto ₹850 Cr

Issue summary

Issue size: ₹ 1,200 Cr

No. of shares: 16,007,406 – 15,196,510 Shares

Face value: ₹ 10/-

Employee Reservation: ₹ 5 Cr

Price band: ₹ 750 – 790

Bid Lot: 18 Shares and in multiple thereof

Employee Discount: ₹ 75/- per share

Post Issue Implied Market Cap =

₹ 4,569 – 4,794 Cr

BRLMs: JM Financial, BNP Paribas, ICICI Securities, IIFL Securities

Registrar: Link Intime India Pvt Ltd.

Issue opens on: Wednesday, 13th Dec’2023

Issue closes on: Friday, 15th Dec’2023

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	18-12-2023
Refunds/Unblocking ASBA Fund	19-12-2023
Credit of equity shares to DP A/c	19-12-2023
Trading commences	20-12-2023

Issue break-up

	No. of Shares		₹ In Cr	% of Issue
	@Lower	@upper		
QIB	11,950,000	11,344,935	896.25	75%
NIB	2,389,999	2,268,987	179.25	15%
-NIB2	1,593,332	1,512,658	119.50	
-NIB1	796,667	756,329	59.75	
RET	1,593,333	1,512,658	119.50	10%
EMP	74,074	69,930	5.00	
Total	16,007,406	15,196,510	1200.00	100%

NIB-1=NII Bid between ₹ 2 to 10 Lakhs

NIB-2 =NII Bid Above ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	18 Shares	270 Shares	1,278 Shares
Minimum Bid Lot Amount (₹)	₹ 14,220 [^]	₹ 2,13,300 [^]	₹ 10,09,620 [^]
No. of Applications for 1x	84,037 Applications	2,801 Applications	5,602 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre- issue	Post issue [~]	Postissue [^]
56,250,218	60,916,885	60,680,598

[~]@ Lower price Band [^]@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoter	89.26%	65.01%
Promoters Group	10.74%	9.95%
Public	0.00%	25.03%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The Company was incorporated as 'Writefine Products Private Limited' on October 24, 2006. Santosh Rasiklal Raveshia, Sanjay Mansukhlal Rajani, Ketan Mansukhlal Rajani, Chandni Vijay Somaiya and Fabbrica Italiana Lapis ed Affini S.p.A. ("FILA") are the Promoters of the company. The Promoters together hold an aggregate of 50,210,218 Equity Shares, aggregating to 89.26% of the pre-offer issued, subscribed and paid-up share capital of the company.

The company traces their lineage back to 1973, with the formation of a partnership firm, 'R.R. Industries' by their founders, late Rasiklal Amritlal Raveshia and late Mansukhlal Jamnadas Rajani, which over the years undertook the business of manufacturing and sale of pencils and crayons. Subsequently, in 2005, another partnership firm 'S. Tech Industries' was founded by certain members of their Promoter Group, to primarily undertake the business of manufacturing and sale of polymer based 'scholastic stationery'. In order to streamline their operations and achieve integration of businesses, the company (then known as 'Writefine Products Pvt Ltd') acquired the business of these partnership firms. Further, in 2012, the company entered into a strategic partnership with FILA, a listed Italian multinational company, engaged in the supply of various 'art materials' and 'stationery products', with a global presence. As of December 31, 2022, FILA had a consolidated total revenue of USD ~ 84 crore.

Brief Biographies of Directors

Gianmatteo Terruzzi is the Chairman and Independent Director of the company. He is registered as a fiduciary in the Register of Fiduciaries, Republic and Canton of Ticino. He was previously associated with LVT Advisors S.R.L., Egida SRL, I.R.E. 2 S.R.L., and Lusben Varazze S.R.L.

Santosh Rasiklal Raveshia is the Managing Director and one of the Individual Promoters of the company. He has been associated with the company since its incorporation. He joined R.R. Industries in 2000 and has been its partner since 2002. Further, he has been the partner of S-Tech Industries since 2006.

Sanjay Mansukhlal Rajani is the Whole Time Director and one of the Individual Promoters of the company. He joined R. R. Industries in 1985 and has been its partner since 2011.

Ketan Mansukhlal Rajani is the Whole Time Director and one of the Individual Promoters of the company. He joined R. R. Industries in 2003 and has been its partner since 2011.

Chandni Vijay Somaiya is the Whole Time Director and one of the Individual Promoters of the company. She joined S-Tech Industries as a partner in 2004.

Massimo Candela is the Non-Executive Director of the company. He has been associated with FILA since 1992 as CEO.

Luca Pelosin is the Non-Executive Director of the company. He was previously associated with Nuova Alpa Collanti S.r.l. as special attorney.

Annalisa Matilde Elena Barbera is the Non-Executive Director of the company. She was previously associated with Trifirò and Partners as an associate. She is currently associated with Studio Legale Salonia e Associati as a partner.

Cristian Nicoletti is the Non-Executive Director of the company. He was previously associated with Akzo Nobel Coatings S.p.A. as a manager of its Fombio (Lo) plant. He is currently associated with FILA as its CFO.

Rajiv Ishwarbhai Mistry is the Independent Director of the company. He is the founder and chairman of Ascent Meditech Ltd.

Mehul Shah is the Independent Director of the company. He has been enrolled as an advocate with the Bar Council of Maharashtra and Goa since 1999. He has been associated with Khaitan & Co as a partner.

Darshika Thacker is the Independent Director of the company. She is currently associated with Thacker & Associates as a partner.

Mitesh Padia is the Company Secretary and Compliance Officer of the company. He joined the company on January 1, 2018.

Rahul Shah is the Chief Financial Officer of the company. He joined the company on December 1, 2016.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
<ul style="list-style-type: none"> Part finance the cost of establishing a new manufacturing facility at Umbergaon, District Valsad. 	280.00
<ul style="list-style-type: none"> General Corporate Purposes 	[•]
Total	[•]

OFFER DETAILS

Fresh Issue		No. of Shares	WACA per Equity Share (in ₹)
Fresh Issue	₹ 350 Cr	Upto 4,666,667~ - 4,430,380^ Equity Shares	-
The Offer for Sale by:	₹ 850 Cr	Upto 11,333,332~ - 10,759,492^ Equity Shares	
The Promoter Selling Shareholders:			
F.I.L.A.- Fabbrica Italiana Lapis ed Affini S.p.A.	₹ 800 Cr	Upto 10,666,668~ - 10,126,582^ Equity Shares#	101.53
Sanjay Mansukhlal Rajani	₹ 25 Cr	Upto 333,332~ - 316,455^ Equity Shares#	0.03
Ketan Mansukhlal Rajani	₹ 25 Cr	Upto 333,332~ - 316,455^ Equity Shares#	0.03

(~ at lower price band and ^ upper price band); # shares are rounded/adjusted to the nearest.

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue and Offer for shares, offered	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
<i>Promoters</i>	50,210,218	89.26%	10,759,492	39,450,726	65.01%
<i>Promoters Group</i>	6,040,000	10.74%	-	6,040,000	9.95%
Total for Promoter and Promoter Group	56,250,218	100.00%	10,759,492	45,490,726	74.97%
<i>Public</i>	0	0.00%	4,430,380	15,189,871	25.03%
Total for Public Shareholders	0	0.00%	4,430,380	15,189,871	25.03%
Total Equity Share Capital	56,250,218	100.00%	15,189,871	60,680,598	100.00%

BUSINESS OVERVIEW

DOMS Industries Limited (“DOMS”) design, develop, manufacture, and sell a wide range of stationery and art products, primarily under the flagship brand ‘DOMS’, in the domestic market as well as in over 45 countries internationally, as of September 30, 2023. They are the 2nd largest player in India’s branded ‘stationery and art’ products market, with a market share of ~12% by value, as of Fiscal 2023. Their keen focus on research and development (R&D), product engineering, and backward integrated manufacturing, operations, combined with the multichannel pan-India distribution network has enabled them to achieve a strong brand recall amongst consumers. Their core products such as ‘pencils’ and ‘mathematical instrument boxes’ enjoy high market shares of 29% and 30% by value in Fiscal 2023 respectively.

DOMS offers well-designed and quality ‘stationery and art material’ products to consumers, which they classify across 7 categories: (i) scholastic stationery; (ii) scholastic art material; (iii) paper stationery; (iv) kits and combos; (v) office supplies; (vi) hobby and craft; and (vii) fine art products.

Scholastic Stationery	Scholastic Art Material	Hobby & Craft	Office Supplies	Paper Stationery	Fine Art Products	Kits & Combos
<ul style="list-style-type: none"> Black Lead Pencils Mechanical Pencils Erasers Sharpeners Mathematical Instruments Chalk & Chalk Holders 	<ul style="list-style-type: none"> Wax Crayons Oil Pastels Colour Pencils Plastic Crayons Poster Colours Water Colours Sketch Markers Brush Pens Tempera Colours Brushes 	<ul style="list-style-type: none"> Modelling Clay Playing Dough Glitter Glue Liquid Glue 	<ul style="list-style-type: none"> Pens Board Markers Permanent Markers Correction Pens Glue Sticks 	<ul style="list-style-type: none"> Notebooks Exercise Book Drawing Book Sketch Pads Executive Diaries Conference Pads 	<ul style="list-style-type: none"> Artists Pencils Kneadable Erasers Water Colours for Artist Gouache Colours Varnishes & Mediums Inks Canvases Artist Papers Brushes for Artists A wide range of Artist Essentials 	<ul style="list-style-type: none"> Stationery Kits Art Material Kits Painting Kits Combo Packs
SKU Count : 392	SKU Count : 283	SKU Count : 45	SKU Count : 146	SKU Count : 418	SKU Count : 2531	SKU Count : 63

DOMS has the widest breadth of product categories amongst their peers in India. They are amongst the few 'stationery and art material' products manufacturing and marketing companies globally with such a wide product breadth. They are the fastest growing 'stationery and art material' products company in India in terms of revenue over the period from Fiscal 2020 to Fiscal 2023.

Company's partnership with **FILA** has enabled them to gain access to international markets for distribution of their products, augmentation of their R&D and technological capabilities. Their symbiotic association with FILA, based on mutual synergies, has resulted in expansion of their international footprint in key American and European markets and has helped in the global distribution of 'DOMS' brand. Further, they have an exclusive tie-up with certain entities of the FILA Group, for distribution and marketing for all categories of their respective products, under their name and trademark, in India, Nepal, Bhutan, Sri Lanka, Bangladesh, Myanmar, and Maldives.

Company's products are marketed under their flagship brand 'DOMS' along with other brand/sub-brands including 'C3', 'Amariz', and 'Fixyfix'. While 'wooden pencils' is their largest product in terms of revenue, contributing 31.66% to their Gross Product Sales amounting to ₹ 389.99 crore as of Fiscal 2023 and ₹252.41 crore for the 6 months period ended September 30, 2023 respectively, their product offerings have evolved significantly over the past several years. This has also allowed them to achieve the least concentration to overall revenue from the largest product segment among peers as of Fiscal 2022. Their inhouse product design team focusses on developing products, keeping in mind latest trends, customer lifestyles, aspirations, and preferences, who along with their dedicated R&D team develop, test, and evaluate products prior to launch. They have recently launched their writing instruments under 'DOMS' brand in 2023, fine-art products under 'Amariz' and adhesive products under 'Fixy Fix'.

The company undertakes their manufacturing operations from facilities located in Umbergaon, Gujarat and Bari Brahma, in Jammu and Kashmir.

DOMS has shown consistent financial performance over the last 3 Fiscals, with their Gross Product Sales and revenue from operations having grown at a CAGR of 72.69% and 73.45% respectively from Fiscal 2021 to Fiscal 2023, the EBITDA Margin (%) having increased from 7.45% to 15.40% over Fiscal 2021 to Fiscal 2023, and ROCE (%) having expanded from 0.36% to 33.31% over the same period.

SALES AND DISTRIBUTION NETWORK

As of September 30, 2023, DOMS has a widespread multi-channel distribution network with a strong pan-India presence and a global footprint catering to over 45 countries, covering the Americas, Africa, Asia Pacific, Europe, and Middle East. In the domestic market, they sell their products through (i) general trade; (ii) modern trade and ecommerce; and (iii) original equipment manufacturer (OEM) & institutions.

Their domestic distribution network for general trade comprises of over 120 super-stockists, and 4,000 distributors along with a dedicated sales team of over 500 personnel covering more than 120,000 retail touch points over 3,500 cities and towns. The company also caters to their consumers through modern trade and e-commerce. Company's products are sold through a variety of modern trade platforms such as supermarkets, hypermarkets, minimarkets, cash and carry stores. Further, their products are also available on multiple e-commerce platforms.

The revenue through the distribution channels:

Segment	6 months ended Sep 30,		Financial Year					
	2023		2023		2022		2021	
	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total
Domestic	632.65	81.44%	974.16	79.09%	528.36	76.23%	312.88	75.75%
General trade	587.17	75.58%	915.69	74.34%	492.18	71.01%	290.69	70.38%
Modern trade and ecommerce platform	22.31	2.87%	26.29	2.13%	21.48	3.10%	12.02	2.91%
Others*	23.17	2.98%	32.18	2.61%	14.70	2.12%	10.18	2.46%
Exports	144.19	18.56%	257.57	20.91%	164.73	23.77%	100.17	24.25%
Export to the FILA Group	85.48	11.00%	158.61	12.88%	106.53	15.37%	69.31	16.78%
Third party exports	58.71	7.56%	98.97	8.03%	58.20	8.40%	30.86	7.47%
Total sale of products	776.84	100.00%	1,231.73	100.00%	693.10	100.00%	413.05	100.00%

*Others includes OEMs, institutional sales, merchant exports and other ancillary sales.

REVENUE FROM OPERATIONS

Segment-wise Revenue from operations

Segment	6 months ended Sep 30,		Financial Year	
	2023	2023	2022	2021
	Revenue ₹ Cr	Revenue ₹ Cr	Revenue ₹ Cr	Revenue ₹ Cr
Sale of products	760.31	1,207.66	680.42	400.36
- Scholastic stationery	354.36	568.81	326.98	191.00
- Scholastic art material	202.99	292.80	166.37	97.52
- Paper stationery	77.32	127.35	64.08	40.25
- Kits and combos	67.26	126.38	79.69	46.50
- Office supplies	48.81	75.25	40.31	24.56
- Hobby and craft	11.26	15.73	0.65	0.37
- Fine art products	8.32	14.17	9.62	5.81
- Others	6.53	11.26	5.41	7.03
- Less: Discount, Rebate	(16.53)	(24.07)	(12.68)	(12.69)
Other operating revenues	1.49	4.23	3.18	2.46
- Export incentive*	1.49	4.23	3.18	2.46
Total	761.80	1,211.89	683.60	402.82

The revenue contribution based on geographical area:

Segment	6 months ended Sep 30,		Financial Year					
	2023		2023		2022		2021	
	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total	Revenue ₹ Cr	% to Total
Domestic	616.21	81.05%	950.21	78.68%	515.81	75.81%	300.19	74.98%
Exports	144.10	18.95%	257.45	21.32%	164.61	24.19%	100.17	25.02%
Total sale of products	760.31	100.00%	1,207.66	100.00%	680.42	100.00%	400.36	100.00%

COMPANY BRANDS AND PRODUCTS

Major Brands



'DOMS' is company's flagship brand. The products under the 'DOMS' brand are known for its premium quality and product designing. They sell all products in the scholastic stationery, scholastic art material, paper stationery, hobby and craft, office supplies and kits and combos under this brand. Their 'DOMS' brand tag line, 'Every Ambition Needs Preparation', is intended to create optimistic and progressive thoughts and encourage students, hobby enthusiasts and professionals to discover their talents and enhance their skills.



'C3' brand was launched in the year 2012, to capture the affordable market segment. The key product in this category are polymer pencils, which when compared to wooden pencils are slightly cheaper. They introduced other products along with 'C3' polymer pencils, include colour pencils, sharpeners, erasers, kits and combos, chalks, and mathematical instruments box.

Key sub-brands under the flagship brand 'DOMS'



'Amariz' was launched in the year 2022, as a sub-brand under the flagship brand 'DOMS'. The company has introduced and continue to introduce fine art products under 'Amariz' with a specific focus towards artists professionals as an end user. They have recently launched art brushes and kneadable erasers under this sub-brand.



'FixyFix' was launched in the year 2023, as a sub-brand under the flagship brand 'DOMS'. The company offers an exclusive range of glues and adhesives under this sub-brand. They have recently launched glue sticks, glitter glues, fragrance glues and white glues under 'FixyFix'.

Key Products



Wooden pencils: Wooden pencils is one of the key products in company's product categories. The wooden pencil portfolio consists of (i) wooden black-lead pencils; and (ii) wooden colour-lead pencils.

The company manufactures and distribute a wide range of black lead pencils which are available in a variety of shapes, colours, and pack sizes. Their wooden black-lead pencil portfolio includes drawing pencils which have pencils of lead degrees like 2B, 3B, 4B, etc. Over the years, they have improvised on their black lead pencil portfolio. Prior to the launch of 'DOMS' zoom triangle pencils in 2010, most of the pencils sold in India were hexagonal in shape. The launch of the triangular shaped pencils in three mixed pastel colour shades and the concept of packing three different coloured pencils in a pack was a revolution for the stationery industry. Another innovation in pencils were the groove pencils. 'DOMS' groove pencils are manufactured with a patented technology which is exclusive for the company in India. The grooves carved on the pencils make them ergonomically easy to hold, provide strong grip and support, thus resulting in superior comfort, better handwriting, and colouring.

The wooden colour lead pencil portfolio includes the regular use half-size and full-size colour pencils available in 24 shades. They also manufacture and market bi-colour pencils (different colour lead on the end of the pencil), the water-soluble colour pencils and mega colours pencils (higher lead sizes). They have improvised their colour lead pencil by inclusion of the extender in half size colour pencils to increase the length of the pencils. This extender enables consumers to continue to use the pencils even after its size is reduced due to repeated sharpening. Some of the popular products in their wooden pencil portfolio are: (i) 'DOMS' neon pencils with eraser tip; (ii) 'DOMS' zoom triangle pencils; and (iii) 'DOMS' X1 pencil.

Crayons: Company's portfolio of crayons consists of: (i) wax crayons; (ii) oil pastels; and (iii) plastic crayons. It includes SKUs for toddlers, students, and artists which are available in different shapes, sizes, and shades. These are available in over 50 shades. They have extended the patented groove technology and design to the 'plastic crayons' portfolio and introduced the 'DOMS' groove plastic crayons. Some of the innovative and popular products in crayons are: (i) 'DOMS' bi-colour wax crayons; (ii) 'DOMS' grippie plastic crayons for toddlers; and (iii) 'DOMS' hexagonal oil pastels.

Mathematical instrument box: Doms has one of the widest ranges of mathematical instrument boxes. In India, they sell 7 SKUs of this product under the flagship brand, 'DOMS' and 1 SKU under their 'C3' brand. The key components in a mathematical instrument box are the tin box, rounder, divider, scale, set square and protractor. They also provide one pencil, eraser, and sharpener in most of the mathematical instrument boxes that they sell.

Sketch pens: The company manufactures and market a wide variety of sketch pens for multipurpose use ranging from drawing, sketching, marking, and writing. Their sketch pens are developed using the technical know-how from the R&D done in Italy. The key feature of this product is the unique push resistant tip.

Erasers: Company's portfolio of erasers, available in different sizes, shapes and designs, include: (i) white coloured eraser; (ii) fragranced eraser; and (iii) coloured erasers. DOMS is one of the foremost companies in India to indigenously manufacture and market erasers using thermoplastic rubber (TPR) material. Some of the attractive products in this category are the retractable pen shaped eraser and Eraser, which is a combination of an eraser as well as a sharpener in a single product.

Exercise books: An exercise book is a book primarily used in schools and colleges for students to take notes. These products are classified into 4 sub-types based on their sizes: (i) 21 x 29.7 cm (A4); (ii) 17 x 27 cm; (iii) 18 x 24 cm; and (iv) 15.5 x 19 cm. In each of these sub-types, different SKUs are available which include different page numbers and different ruling patterns.

The sales from the key products across the product categories:

	6 months period ended Sep' 30, 2023			Fiscal 2023			Fiscal 2022			Fiscal2021		
	Units sold (in Cr)	Amt (₹ Cr)	% of Gross Product Sale	Units sold (in Cr)	Amt (₹ Cr)	% of Gross Product Sale	Units sold (in Cr)	Amt (₹ Cr)	% of Gross Product Sale	Units sold (in Cr)	Amt (₹ Cr)	% of Gross Product Sale
Wooden pencils	82.20	252.41	32.49%	135.22	389.99	31.66%	87.46	231.12	33.35%	58.87	152.80	36.99%
Crayons	54.48	55.28	7.12%	73.11	72.44	5.88%	42.10	35.16	5.07%	26.17	22.65	5.48%
Mathematical instruments box	1.14	52.10	6.71%	1.44	68.84	5.59%	0.77	34.50	4.98%	0.29	13.44	3.25%
Sketch pens^	3.14	47.03	6.05%	5.26	68.81	5.59%	3.34	36.84	5.31%	1.82	18.61	4.51%
Erasers*	24.10	36.34	4.68%	45.05	66.86	5.43%	29.34	42.46	6.13%	14.56	19.60	4.74%
Exercise books	1.08	39.44	5.08%	2.56	66.38	5.39%	1.49	29.25	4.22%	1.08	21.70	5.25%
Total	-	482.58	62.12%	-	733.32	59.54%	-	409.32	56.06%	-	248.79	60.23%

* Sales of Erasers is not included in erasers as the HSN code used for this product is that of a sharpener due to higher GST rate

^ units=No of Packs

MANUFACTURING FACILITIES

The company undertakes their manufacturing operations from facilities located in Umbergaon, Gujarat and Bari Brahma, in Jammu and Kashmir. The Umbergaon Manufacturing Facilities are spread over approximately 34 acres of land covering approximately 1.07 msf, which are equipped with modern and automated production processes. Further, their Jammu Manufacturing Facility is spread across approximately 2 acres of land covering approximately 0.07 msf, focussed on producing wooden slats from locally sourced wood. They are vertically integrated with operations such as procurement of raw materials, moulding, assembling, integration of sub-assemblies into finished products being done at their manufacturing facilities in Umbergaon, which has enabled them to gain a competitive advantage by improving productivity and reducing costs. In order to support the growth strategy to expand the manufacturing capabilities, recently they have also acquired 44 acres of land which is adjacent to their existing Umbergaon Manufacturing Facilities.

Production capacity and capacity utilisation

	Fiscal 2023			Fiscal 2022			Fiscal2021		
	Installed Capacity (units in Cr)	Actual Production on units in Cr)	Capacity Utilisation (%)	Installed Capacity (units in Cr)	Actual Production units in Cr)	Capacity Utilisation (%)	Installed Capacity (units in Cr)	Actual Production units in Cr)	Capacity Utilisation (%)
Wooden pencils	151.20	141.36	93.49%	108.00	104.53	96.78%	86.40	68.74	79.56%
Crayons	105.80	93.66	88.52%	81.00	52.53	64.86%	81.00	32.90	40.62%
Mathematical instruments box	1.50	1.46	97.23%	1.35	0.76	56.26%	0.90	0.30	33.36%
Water Colour Pens	7.00	6.57	93.83%	4.35	4.10	94.30%	3.75	3.12	83.19%
Eraser	65.00	57.12	87.87%	75.00	49.58	66.11%	44.00	26.75	60.78%
Exercise books	3.67	2.70	73.64%	2.43	1.52	62.50%	1.50	1.06	70.63%
Polymer Pencils	39.60	32.70	82.57%	36.00	28.78	79.94%	30.00	13.82	46.08%
Sharpeners	42.00	35.73	85.06%	27.00	22.17	82.12%	18.00	11.27	62.59%
Ball point pens	25.00	23.26	93.03%	21.00	12.74	60.66%	12.50	6.95	55.58%
Drawing and Sketch book	0.76	0.53	70.64%	0.66	0.56	85.42%	0.51	0.32	63.44%
All types of markers	4.35	3.89	89.33%	2.70	2.53	93.78%	2.10	1.71	81.19%
Water colour cakes	12.24	9.67	78.98%	10.08	9.79	97.10%	10.00	6.51	65.14%
Tempera colours	1.88	1.84	98.07%	1.50	1.03	68.52%	1.88	1.84	98.07%
Scales	13.50	11.92	88.32%	10.00	5.82	58.22%	13.50	11.92	88.32%

Note: Except Water colour and Tempera colours which are in packs, all others are in number units.

INTELLECTUAL PROPERTY

DOMS has been granted 13 registered designs and 419 registered trademarks in India and 88 registered international trademarks. Their Corporate Promoter has issued the company brand authorisation letters to use the trademarks of certain entities under the FILA Group.

RESEARCH & DEVELOPMENT

As of September 30, 2023, DOMS has a dedicated team of 50 employees working at a state of art R&D and design facility in Umbergaon, which is equipped with modern and advanced equipment's to develop, test, and evaluate their products. The product development is driven by their cross-functional team which regularly engages with the customers. Their in-house

product design team focusses on developing products keeping in mind the latest trends, customer lifestyles, aspirations, and preferences.

The company undertakes the R&D activities like: (i) product evaluation; (ii) process development including feasibility studies, laboratory validation and development history reports; (iii) process scale up and validation; and (iv) regulatory filings and approvals. Their focus on R&D enables them to gain a competitive advantage by not only improving productivity but also reducing costs.

COMPETITIVE STRENGTHS

- **Leadership position in the Indian ‘stationery and art material’ industry with the widest range of products, driving rapid business growth**

The company has a strong brand that their consumers trust, as evidenced by their leadership position in the ‘stationery and art material’ products industry in India. Their core products such as ‘pencils’ and ‘mathematical instrument boxes’ enjoy high market shares of 29% and 30% by value in Fiscal 2023 respectively. They have a wide and differentiated product category, which includes over 3,800 SKUs as of September 30, 2023. They have leveraged their experience and success with their flagship brand ‘DOMS’ and introduced new brands and sub-brands to the market which complement their flagship brand. In addition to being present across multiple product categories to cater to a diverse demography, they have also ensured their products are available at various price points, through their brands ‘DOMS’ and ‘C3’, each of which benefited from strong brand loyalty and unique market positioning.

- **Strong brand recall driven by high quality, innovative and differentiated products**

The company sells a diverse portfolio of products which occupy leadership positions in multiple of their respective product market categories in India. This indicates a high brand recall value for their products and helps leverage their pricing strategy. They have consciously focussed on R&D and innovation, across both products and processes, while maintaining their quality standards and striving to incorporate technology in their operations. Company’s R&D efforts are focussed on product development, cost reduction, and integration of modern technologies to their processes, which help them in improving their operational efficiency. Their knowledge sharing with FILA allows them to augment their R&D and technology capabilities and enables them to remain updated with emerging global trends and technology. They are among the topmost followed stationery and art material brands in India with a large following of over 10 lakh followers on YouTube, and over 40,000 followers on Instagram.

- **Robust manufacturing infrastructure, with a focus on backward integration to drive efficiencies**

DOMS operates 13 manufacturing facilities across Umbergaon, Gujarat, spread over approximately 34 acres of land covering approximately 1.18 msf and is one of the largest stationery manufacturing facilities in India. Their annual installed capacity as on March 31, 2023, for the key products was 473.49 crore units. The company undertakes end-to-end operations, from conceptualisation to design, manufacturing, packaging and distribution of their product portfolio through their integrated operations at their Umbergaon Manufacturing Facilities which are built for large scale operations and their facilities and storage depots are also strategically located to achieve shorter time to market, greater cost competitiveness. They also operate 1 manufacturing facility which is spread across approximately 2 acres of land covering approximately 0.07 msf at Bari Brahma, in Jammu and Kashmir where they produce wooden slats from locally sourced wood.

The company has backward integrated their manufacturing process by producing several key components and materials used in manufacturing of finished goods. They started manufacturing wooden slats at their Jammu Manufacturing Facility from wooden logs sourced locally from Kashmir. Another product for which they have sought to achieve backward integration of their processes is their ‘mathematical instruments box’.



COMPONENTS

- Tin Box with Label Printing
- Compass
- Divider Leg
- Set Square
- Protractor
- Scale
- Pencil, Eraser, Sharpener

- **Robust multi-channel distribution network with strong pan India and international presence**

The company has a widespread multi-channel distribution network, through which they sell their products (i) through general trade, where they sell products to their super-stockists, who sell to a distributor, and who in turn sells it to a wholesaler or retailer; (ii) through modern trade, where they sell their products to supermarkets, hypermarkets, mini markets, cash and carry stores and on leading e-commerce platforms; and (iii) to large corporates, institutions, and other companies who sell their products either in their own brand or under their flagship 'DOMS' brand. Over the years, they have developed a pan-India distribution network. As of September 30, 2023, their products were sold in over 3,500 cities and towns in India.

- **Strategic partnership with FILA enabling access to global markets and product know-how**

FILA, Company's Corporate Promoter, is an Italy based leading global enterprise devoted to the research, design, manufacture and sale of tools for creative expression, catering to millions of homes, schools, offices and ateliers. FILA owns 25 renowned brands such as Giotto, Lyra, Dixon, Canson, Daler Rowney, Das and Tratto through which they sell a diversified portfolio of over 20 categories of products in over 150 countries across 5 continents such as Italy, United States of America, France, Germany, Greece, Poland, Canada, Mexico, Russia, Spain, Sweden, Turkey, South Africa, etc. In the year 2012, FILA entered into a strategic partnership with Doms, acquiring 18.50% of the paid-up capital of the Company, with a subsequent increase to 51% in the year 2015. They have a synergetic relationship with FILA. Company's collaboration with FILA has helped them expand their international footprint in Asia Pacific, Europe, and Middle Eastern markets with the distribution of their products. Their knowledge sharing with FILA allows them to augment their R&D capabilities and enables them to remain updated with emerging global trends and technology.

- **Experienced Promoters and management team**

Company's Individual Promoters and Directors have experience in the 'stationery and art materials' products industry and have been instrumental in the growth of 'DOMS' as a brand. Also, the Individual Promoters are actively involved in the day-to-day operations of the company, ensuring tight cost control and improvements in margins. The independent directors, with extensive experience, brings significant business expertise in the areas of manufacturing, sales, and marketing. As of September 30, 2023, they are supported by 8,890 full-time employees.

KEY BUSINESS STRATEGIES

- **Expansion of manufacturing capacities**

The company currently manufactures their products from their plants across Umbergaon with an annual installed capacity of 4,734.93 million units as on March 31, 2023, for their key products, with an efficiency of 4,223.98 million units during such period. In order to meet the expected rise in consumer demand across their product categories, they have undertaken further capital expenditure in Fiscal 2023 of ₹ 125.94 crore, primarily towards enhancing their manufacturing capabilities across their range of product categories.

- **Supplement the product portfolio in order to expand addressable market size and capture higher consumer wallet share**

The 'stationery and art material' market has untapped potential in multiple categories with a limited presence of branded players. The company continues to seek opportunities to introduce new products. They launched (i) 'DOMS' groove pencils that are manufactured with a patented technology that is exclusive for the company in India and (ii) two-dooz pencil sharpener. To further diversify revenue streams, they identify potential products which are complementary to their current product categories.

- **Strengthen the distribution network and expand the modern trade channels**

As of September 30, 2023, DOMS has a widespread multi-channel distribution network with a strong pan-India presence. They seek to continue to develop their distribution network and increase their geographical reach through reinforcing and expanding the distribution channels. They seek to achieve this by increasing the network of their distribution channel partners as well as increasing their presence across different retail store formats in addition to the traditional stationery stores. In terms of their international presence, over the years they have developed a robust export sales network through their association with FILA as well as through distributors in over 45 countries.

- **Undertake inorganic growth through acquisitions or strategic partnerships**

The company intends to continue to actively pursue strategic investments and acquisitions, which are complementary to their business. Such efforts will be focused on: (i) increasing the market share further; (ii) deepening the presence in certain geographies; and (iii) improving profitability.

In Fiscal 2024, DOMS undertook the acquisition of **Micro Wood Pvt Ltd** as a strategic investment, which will help them in achieving greater degree of backward integration for manufacturing of certain products. Further, they recently also acquired a minority stake in **ClapJoy Innovations Pvt Ltd**, which is in the business of manufacturing and sale of ‘toys’, to enter into a complementary line of business to capitalise on their existing distribution and sales network.

- **Strengthening the ‘DOMS’ brands and enhance synergies**

The market is gradually shifting towards branded play, because of shift in consumer preference towards premium and innovative products, GST implementation, branded players undertaking various brand building initiatives and economies of pan-India distribution network by branded players. Their leadership position in the ‘stationery and arts’ products industry, recognised primarily under the DOMS brand, provides them with an opportunity to grow their business. They have consistently allocated significant resources to establish and strengthen their brand and to increase their brand recall as one of India’s leading ‘stationery and arts’ brands.

- **Strengthen the technology and data capabilities to drive business efficiencies**

The company intends to continue to invest in their technology and data capabilities to drive business efficiencies, stay connected with their customers and strengthen cross-brand, and cross-functional synergies. They rely on Sales Force Automation (SFA), a software solution that they use to track and oversee the performance of their large sales force. Through SFA, they are able to gain access to their sales activities and enable seamless monitoring and analysis of their team’s performance. They rely on Distributor Management Systems (DMS) for seamless communication between their super-stockists and them, for efficient order management, expedited stock replenishment and delivery tracking.

INDUSTRY OVERVIEW

Select Financial Metrics for Branded Players in FY 23

Player	Revenue (₹ in Cr)	Domestic Sales (₹ in Cr)	Export Sales (₹ in Cr)	Gross Margin (%)
DOMS	1,232	974	258	37%
Kokuyo Camlin	775	742	33	37%
Hindustan Pencils	1,100	955	150	Na
Navneet	947	380	567	50%
Luxor	490	475	14	41%
Linc	487	386	101	40%
Flair	943	758	185	46%
Rorito	174	174	0	40%
BIC Cello	550	429	121	Na
ITC Stationery	2,456	2,010	446	Na

Presence of Key Players in different categories

Player	Note Books	Note books Papers	Pens	Pencils	Marker and High-lighters	Technical Instruments	Office Supplies	Basic Arts	Fine Arts	Eraser	Sharpen er	Adhes-ives	Others
DOMS	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Kokuyo Camlin			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Hindustan Pencils			✓	✓		✓		✓		✓	✓		✓
Navneet	✓	✓		✓		✓		✓	✓	✓	✓	✓	✓
Luxor	✓		✓	✓	✓	✓		✓		✓	✓		✓
Linc			✓	✓	✓	✓		✓		✓	✓		✓
Flair			✓	✓	✓	✓		✓		✓	✓	✓	✓
Rorito	✓		✓	✓	✓	✓		✓		✓	✓		
BIC Cello			✓	✓	✓	✓		✓		✓	✓		
ITC Stationery	✓	✓	✓	✓		✓		✓		✓	✓		✓
Kangaro							✓						

Profit after Tax in FY (₹ Crore) and PAT Margin (%)

Company	CAGR for Fiscal		For the 6 month period ended Sep'30, 2023		For the Fiscal Year ended							
	2023	2022	March 31, 2023		March 31, 2022		March 31, 2021		March 31, 2020			
			PAT	Margin	PAT	Margin	PAT	Margin	PAT	Margin		
DOMS Industries	Na	(31.0)%	73.9	9.7%	102.9	8.5%	17.1	2.5%	(6.0)%	(1.5)%	36.0	5.5%
Core Peer												
BIC Cello India	Na	(41.2)%	Na	Na	Na	Na	(162.0)	(39.2)%	(215.5)	(80.1)%	(81.2)	(12.0)%
Flair Writing Indust.	1,003.6%	21.7%	Na	Na	118.1	118.1	56.2	9.6%	1.0	0.3%	37.9	5.2%
Hindustan Pencils	Na	(9.3)%	Na	Na	Na	Na	6.8	0.9%	(5.4)	(1.0)%	8.3	0.8%
Kokuyo Camlin Ltd	Na	Na	27.8	6.4%	24.4	3.1%	(4.7)	(0.9)%	(14.6)	(3.6)%	4.4	0.7%
Linc Ltd	Na	(35.0)%	15.1	6.1%	37.4	7.6%	8.1	2.3%	0.0	0.0%	19.2	4.8%
Luxor Writing Instruments	Na	Na	Na	Na	6.6	1.3%	(5.0)	(1.5)%	(9.4)	(4.0)%	1.4	0.4%
Navneet Education	90.9%	(38.6)%	180.5	17.0%	203.8	11.9%	74.4	6.6%	55.9	6.6%	197.3	12.9%
Rorito International	39.6%	(89.4)%	Na	Na	(14.3)	(8.1)%	(27.3)	(19.2)%	(34.3)%	(34.3)%	(7.6)%	(3.2)%
Allied peers												
3M India	66.7%	(8.1)%	275.3	13.0%	451.0	11.2%	272.0	8.1%	6.2%	6.2%	322.2	10.6%
Gillette India	7.0%	12.1%	Na	Na	355.7	14.2%	289.3	12.8%	15.2%	15.2%	230.2	13.6%
ITC Ltd	20.6%	(0.3)%	10,136.0	25.8%	19,476.7	24.8%	15,503.1	23.1%	24.0%	24.0%	15,592.8	28.9%
Pidilite Industries	7.0%	3.7%	932.2	14.6%	1,288.9	10.9%	1,206.8	12.1%	15.3%	15.3%	1,122.1	15.1%

Return on Equity (%) and Return on Capital Employed

Company	Return on Equity (%)					Return on Capital Employed (%)				
	For the 6 month period ended Sep'30, 2023	For the Fiscal Year ended March 31,				For the 6 month period ended Sep'30, 2023	For the Fiscal Year ended			
		2023	2022	2021	2020		2023	2022	2021	2020
DOMS Industries	17.5%	28.9%	6.6%	(2.5)%	14.7%	19.2%	36.8%	11.5%	5.9%	20.0%
Core Peer										
BIC Cello India	Na	Na	(47.4)%	(42.4)%	(11.3)%	Na	Na	(44.6)%	(30.3)%	(18.4)%
Flair Writing	Na	27.1%	17.7%	0.4%	14.6%	Na	33.5%	20.4%	3.5%	19.0%
Hindustan Pencils	Na	Na	4.2%	(3.3)%	4.9%	Na	Na	10.8%	6.3%	13.0%
Kokuyo Camlin Ltd	9.7%	9.3%	(2.0)%	(6.0)%	1.7%	12.8%	14.6%	(0.2)%	(3.5)%	6.6%
Linc Ltd	8.2%	21.1%	5.7%	0.0%	14.1%	10.3%	27.7%	7.8%	(0.8)%	17.5%
Luxor Writing Instruments	Na	5.6%	(4.6)%	(8.1)%	1.1%	Na	14.2%	1.8%	(2.0)%	8.2%
Navneet Education	7.9%	12.9%	7.8%	6.0%	22.9%	13.7%	21.4%	13.4%	5.6%	32.2%
Rorito International	Na	72.6%	124.6%	(726.6)%	(17.1)%	Na	(25.8)%	(68.8)%	(54.4)%	(8.3)%
Allied peers										
3M India	15.0%	26.9%	12.5%	8.5%	18.4%	19.5%	35.4%	16.5%	11.3%	24.2%
Gillette India	Na	36.0%	33.6%	39.3%	25.3%	Na	43.7%	44.7%	50.1%	32.8%
ITC Ltd	14.6%	28.0%	24.7%	22.0%	23.8%	18.8%	35.8%	31.9%	28.5%	29.8%
Pidilite Industries	12.0%	17.3%	18.3%	19.3%	24.0%	15.3%	21.7%	22.9%	24.4%	31.6%

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

Name of the Company	Consolidated/ Standalone	Face Value	Closing Price as on 1 st Dec, 2023	Total Revenue from Operation for Fiscal 2023 (₹ in Cr)	EPS	NAV	P/E	RoNW (%)
					Basic & Diluted			
DOMS Industries Ltd	Consolidated	10	[•]	1,211.89	18.29	59.99	[•]	28.39%
Kokuyo Camlin Ltd	Consolidated	1	156.50	774.94	2.44	26.18	64.14	9.31%
Linc Ltd	Consolidated	10	707.95	486.76	25.15	119.16	28.15	21.10%
Navneet Education Ltd	Consolidated	2	143.40	1,696.83	9.04	50.85	15.86	17.78%
Flair Writing Industries Ltd	Consolidated	5	452.70	942.66	12.66	46.57	35.76	27.18%

Source: RHP

Comparison with Listed Industry Peers

(in ₹ Cr, unless otherwise specified)

Particulars	6 months ended Sep'2023					Fiscal 2023				
	DOMS Industries	Kokuyo Camlin	Linc	Navneet Education	Flair Writing Industries	DOMS Industries	Kokuyo Camlin	Linc	Navneet Education	Flair Writing Industries
Revenue from Operations	761.80	430.63	243.10	1057.23	Na	1,211.89	774.94	486.76	1,696.83	942.66
Growth in Revenue (%)	Na	11.56%	8.08%	3.29%	Na	77.28%	52.41%	37.13%	52.28%	63.26%
Gross product sales	776.84	Na	NA	Na	Na	1,231.73	827.65	487.75	Na	944.17
Gross profit	302.88	165.61	95.30	503.13	Na	448.52	386.71	192.16	850.89	433.89
Gross margin (%)	39.76%	38.46%	39.20%	47.59%	Na	37.01%	37.00%	39.48%	50.15%	46.03%
EBITDA	127.45	41.52	25.74	204.58	Na	186.66	54.37	61.36	298.01	183.51
EBITDA Margin (%)	16.73%	9.64%	10.59%	19.35%	Na	15.40%	7.02%	12.61%	17.56%	19.47%
Profit after tax (PAT)	73.91	27.85	15.09	180.54	Na	102.87	24.45	37.40	203.76	118.10
PAT Margin (%)	9.70%	6.47%	6.21%	17.08%	Na	8.49%	3.15%	7.68%	12.01%	12.53%
RoE (%)	19.01%	10.14%	8.34%	14.89%	Na	33.54%	9.74%	23.37%	19.40%	31.40%
RoCE (%)	18.04%	12.42%	11.47%	13.53%	Na	33.31%	12.36%	28.14%	17.39%	29.94%
Gross Fixed Assets Turnover (times)	1.67	Na	Na	Na	Na	3.30	3.80	3.00	3.37	2.60
Net debt (Borrowings)	125.51	9.09	(16.08)	(43.97)	Na	58.37	47.32	(12.41)	248.70	114.80

Particulars	Fiscal 2022					Fiscal 2021				
	DOMS Industries	Kokuyo Camlin	Linc	Navneet Education	Flair Writing Industries	DOMS Industries	Kokuyo Camlin	Linc	Navneet Education	Flair Writing Industries
Revenue from Operations	683.60	508.47	354.96	1114.30	577.40	402.82	403.12	256.66	834.57	297.99
Growth in Revenue (%)	69.71%	26.13%	38.30%	33.52%	93.77%	Na	(36.42)%	(35.35)%	(44.81)%	Na
Gross product sales	693.10	548.42	355.67	Na	576.06	413.05	446.92	255.56	Na	293.65
Gross profit	251.53	196.01	117.47	582.61	269.20	157.47	166.81	83.94	437.49	131.56
Gross margin (%)	36.79%	38.55%	33.10%	5.23%	46.62%	39.09%	41.38%	32.70%	52.42%	44.15%
EBITDA	69.71	16.51	21.53	162.61	97.57	30.03	8.84	10.17	87.02	23.00
EBITDA Margin (%)	10.20%	3.25%	6.06%	14.59%	16.90%	7.45%	2.19%	3.96%	10.43%	7.72%
Profit after tax (PAT)	17.14	(4.73)	8.13	74.35	55.15	(6.03)	(14.62)	0.04	55.91	0.99
PAT Margin (%)	2.51%	(0.93)%	2.29%	6.67%	9.55%	(1.50)%	(3.63)%	0.02%	6.70%	0.33%
RoE (%)	6.86%	(1.96)%	5.86%	7.91%	19.06%	Na	(5.93)%	0.03%	6.23%	NA
RoCE (%)	10.0%	(0.15)%	7.76%	12.19%	18.43%	0.36%	(2.87)%	(0.73)%	5.48%	3.34%
Gross Fixed Assets Turnover (times)	2.82	2.47	2.47	2.26	2.00	1.88	1.83	2.17	1.84	1.16
Net debt (Borrowings)	69.14	63.22	2.79	84.19	126.00	68.26	71.18	7.85	19.15	113.36

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