



DOMS INDUSTRIES LIMITED



(Please scan this QR code to view the Red Herring Prospectus)

Our Company was originally incorporated as "Writefine Products Private Limited" as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 24, 2006, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The name of our Company was subsequently changed to "DOMS Industries Private Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Gujarat at Ahmedabad ("RoC") on April 21, 2017. Upon the conversion of our Company into a public limited company, pursuant to the approval accorded by our Shareholders at their extra-ordinary general meeting held on July 14, 2023, the name of our Company was changed to "DOMS Industries Limited" and a fresh certificate of incorporation consequent upon change of name upon conversion to public limited company was issued to our Company by the RoC on August 3, 2023. For further details relating to the changes in the name of our Company and the Registered Office of our Company, see the section titled "History and Certain Corporate Matters" on page 237 of the Red Herring Prospectus dated December 02, 2023 ("RHP" or "Red Herring Prospectus") filed with the RoC.

Registered Office: J-19, G.I.D.C, Opp. Telephone Exchange, Umbergaon - 396 171, Dist. Valsad, Gujarat, India; **Corporate Office:** Plot No. 117, 52 Hecor, Expansion Area, G.I.D.C., Umbergaon- 396 171, Dist. Valsad, Gujarat, India. **Telephone:** +91 74348 88445; **Website:** www.domsindia.com;

Contact Person: Mitesh Padia, Company Secretary and Compliance Officer, E-mail: ir@domsindia.com; **Corporate Identity Number:** U36991GJ2006PLC049275

PROMOTERS OF OUR COMPANY: SANTOSH RASIKLAL RAVESHIA, SANJAY MANSUKHLAL RAJANI, KETAN MANSUKHLAL RAJANI, CHANDNI VIJAY SOMAIYA, AND F.I.L.A. - FABBRICA ITALIANA LAPIS ed AFFINI S.p.A.

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF DOMS INDUSTRIES LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹12,000.00 MILLION ("OFFER"), COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹3,500.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [·] EQUITY SHARES ("OFFERED SHARES") AGGREGATING UP TO ₹8,500.00 MILLION COMPRISING OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹8,000.00 MILLION BY F.I.L.A. - FABBRICA ITALIANA LAPIS ed AFFINI S.p.A., UP TO [·] EQUITY SHARES AGGREGATING UP TO ₹250.00 MILLION BY SANJAY MANSUKHLAL RAJANI AND UP TO [·] EQUITY SHARES AGGREGATING UP TO ₹250.00 MILLION BY KETAN MANSUKHLAL RAJANI (COLLECTIVELY, "SELLING SHAREHOLDERS" AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, "OFFER FOR SALE").

THIS OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹50.00 MILLION (CONSTITUTING UP TO [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY OFFER A DISCOUNT OF UP TO [●]%(EQUIVALENT OF ₹75 PER EQUITY SHARE) TO THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] % AND [●] %, RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION			
NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED/AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
F.I.L.A.- Fabbrica Italiana Lapis ed Affini S.p.A.	Corporate Promoter	Up to [●] Equity Shares aggregating up to ₹8,000.00 million	101.53
Sanjay Mansukhlal Rajani	Individual Promoter	Up to [●] Equity Shares aggregating up to ₹250.00 million	0.03
Ketan Mansukhlal Rajani	Individual Promoter	Up to [●] Equity Shares aggregating up to ₹250.00 million	0.03

*As certified by M.I. Shah & Co., Chartered Accountants by way of their certificate dated December 02, 2023

We design, develop, manufacture, and sell a wide range of stationery and art products, primarily under our flagship brand ‘DOMS’.

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations
QIB Portion: Not less than 75% of the Offer | Non-Institutional Portion: Not more than 15% of the Offer | Retail Portion: Not more than 10% of the Offer
Employee Reservation Portion: Up to [·] Equity Shares aggregating up to ₹ 50.00 Million

PRICE BAND: ₹ 750 TO ₹ 790 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.
THE FLOOR PRICE IS 75 TIMES THE FACE VALUE OF THE EQUITY SHARES AND
THE CAP PRICE IS 79 TIMES THE FACE VALUE OF THE EQUITY SHARES.
THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 FOR THE COMPANY AT THE HIGHER END OF THE PRICE BAND IS AS HIGH AS 43.19 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 41.01 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 35.98.
BIDS CAN BE MADE FOR A MINIMUM OF 18 EQUITY SHARES AND IN MULTIPLES OF 18 EQUITY SHARES THEREAFTER.
A DISCOUNT OF UP TO [●]%(EQUIVALENT TO ₹75 PER EQUITY SHARE) IS BEINIG OFFERED TO ELIGIBLE EMPLOYEEES BIDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated December 06, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the ‘Basis for the Offer Price’ section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in ‘Basis for the Offer Price’ section on pages 111 to 125 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS

- 1
- Loss in past - We have incurred a loss of ₹60.26 million in Fiscal 2021 predominantly due to COVID-19 related lockdown, which resulted in the closure of domestic and export markets, especially educational institutions, offices and workplaces and retail outlets. If we fail to maintain profitability and incur losses again, our business operations and growth strategy will be adversely affected.
- 2
- Negative cash flows - We have had negative cash flows in previous financial years and may continue to have negative cash flows in the future, which could adversely affect our liquidity and operations.
- 3
- Competition risk - We face significant competitive pressures in our business. Our inability to compete effectively would have a material adverse effect on our business, prospects, operations or financial results.
- 4
- Dependence on FILA – We are dependent on the FILA Group for our business operations and in particular for our export sales.

(Amount ₹ in million)

Distribution network	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months period ended September 30, 2023
Amount of Export sales to FILA Group	693.13	1,065.31	1,586.07	854.82
% of Gross Product Sales	16.78	15.37	12.88	11.00
% of Total Export Sales	69.19	64.67	61.58	59.28

- In the event FILA ceases to be our Promoter, it may affect our business operations, adversely impact our R&D and export capabilities. Further, any damage to the reputation of the FILA Group may adversely affect our business, results of operations and financial condition.
Further, FILA is a major Selling Shareholder and is selling Equity Shares aggregating upto ₹ 8,000 million in the Offer.
- 5
- Supply risk - We have not entered into any formal contracts or exclusive arrangement with our suppliers from whom we procure materials consumed by us for our manufacturing process. Further, we are dependent on certain limited suppliers for some of our raw materials. In the event, we are unable to procure such materials at terms favourable to us, or at all, our business, financial condition and results of operations may be adversely affected.
- 6
- Disassociation by F.I.L.A.- Fabbrica Italiana Lapis ed Affini S.p.A. – We cannot assure you that our Corporate Promoter, F.I.L.A.- Fabbrica Italiana Lapis ed Affini S.p.A. will not dilute its entire shareholding in our Company and/or not dissociate from our Company in the future, which may have a material adverse effect on our business operations, research and development and export capabilities.
- 7
- Product concentration risk - We derived a significant portion amounting to 60.23%, 59.06%, 59.54% and 62.12% of our Gross Product Sales in Fiscals 2021, 2022 and 2023, and the six months period ended September 30, 2023

- respectively, from the sale of our key products and a significant portion amounting to 36.99%, 33.35%, 31.66% and 32.49% of our Gross Product Sales in Fiscals 2021, 2022, 2023 and the six months period ended September 30, 2023, respectively is attributable to the sale of ‘wooden pencils’. Any decline in the Gross Product Sales of our key products in general or specifically ‘wooden pencils’ could have an adverse effect on our business, results of operations and financial condition.
- 8 Distribution risk** - We are dependent on our ‘general trade’ distribution network for a significant portion (more than 70.00%) of our Gross Product Sales in each of the last three Fiscals and the six months period ended September 30, 2023. Failure to manage our ‘general trade’ distribution network efficiently could have an adverse impact on our business, results of operations and financial condition.
- 9 Litigation** - There is an outstanding civil litigation against our Company by one of our listed peers for the recovery of ₹ 0.50 million. An adverse judgment could have an adverse impact on our business, financial condition, results of operations and future cash flows.
- 10 Manufacturing facilities** - Our manufacturing operations are undertaken at our Umbergaon Manufacturing Facilities and Jammu Manufacturing Facility. Any disruption, breakdown or shutdown of our Umbergaon Manufacturing Facilities and Jammu Manufacturing Facility may have a material adverse effect on our business, results of operations and financial condition.
- 11 Inability to assess consumer preference and demand** - Our success depends on our ability to promptly identify and respond to changing consumer preferences or evolving trends and successfully launch new products or stock keeping units in the market. Failure to do so may decrease the demand for our products among our consumers, which may adversely affect our business, results of operations and financial condition.
- 12** The Offer comprises Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale.
- 13 Fresh Issue proceeds** – Substantial portion of the Net proceeds will be used for funding our capital expenditure requirements for establishing the Proposed Project which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties.
- 14 The average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders as at the date of the Red Herring Prospectus is set forth below:**

Name of Promoter/ Selling Shareholder	Number of Equity Shares held	Average cost of acquisition per Equity Share* (₹)
Promoters		
F.I.L.A - Fabbrica Italiana Lapis ed Affini S.p.A [#]	28,687,735	101.53
Santosh Rasiklal Raveshia	9,562,679	0.07
Sanjay Mansukhlal Rajani [#]	4,854,952	0.03
Ketan Mansukhlal Rajani [#]	4,854,952	0.03
Chandni Vijay Somaiya	2,249,900	0.07

*As certified by M.I. Shah & Co., Chartered Accountants, pursuant to their certificate dated December 02, 2023.

[#] Also a Selling Shareholder

- 15** The details of Price/Earnings, Earnings per share, Return on networth and NAV as on and for the year ended March 31, 2023 are as follows :-

Particulars	Price/ Earnings (Based on diluted EPS)	Earnings per share (₹)	Return on Networth (%)	Net Asset Value per Equity Share (₹)
Company (DOMS Industries Limited)	43.19*	18.29	28.39	59.99
Average of Industry Peers	35.98	12.32	18.84	60.69

*At upper end of the price band

- 16** The weighted average return on networth for the last three financial years is 15.49%
- 17 The details of market value to total turnover and the P/E Ratio on the upper end/lower end of the price band are as below:**

Particulars	Market capitalization / Total income		P/E Ratio [^]	
	Cap Price	Floor Price	Cap Price	Floor Price
Company (DOMS Industries Limited)	3.94	3.76	43.19	41.01

[^] Based on EPS for Financial Year ended March 31, 2023

- 18 Weighted average cost of acquisition of all Equity Shares transacted in last three years, 18 months and one year preceding the date of the Red Herring Prospectus**

Period	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is ‘x’ times the weighted average cost of acquisition	Range of acquisition price per Equity Share: lowest price- highest price (in ₹)*
Last one year	Nil ^{\$}	NA	NA [#]
Last 18 months	Nil ^{\$}	NA	NA [#]
Last three years	Nil ^{\$}	NA	NA [#]

^{\$}Acquisition of Equity Shares through bonus issue in the ratio of 150 Equity Shares for every one existing Equity Share held, undertaken on July 6, 2023, hence the acquisition price is nil.

[#]Range of acquisition price per Equity Share has been mentioned as N.A. since there have been no transactions (excluding Equity Shares issued pursuant to bonus issuance) in Equity Shares in the last three years preceding the date of the Red Herring Prospectus

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- 19** The four BRLMs associated with the Offer have handled 90 public Issues in the past three financial years, out of which 26 Issues closed below the offer price on listing date :

Name of the BRLMs	Total public Issues	Issues closed below price on listing date
JM Financial Limited*	17	2
BNP Paribas*	0	0
ICICI Securities Limited*	22	8
IIFL Securities Limited*	18	7
Common Issues of above BRLMs	33	9
Total	90	26

*Issues handled where there were no common BRLMs

...continued from previous page.

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE : TUESDAY, DECEMBER 12, 2023*

BID/OFFER OPENS ON : WEDNESDAY, DECEMBER 13, 2023*

BID/OFFER CLOSES ON : FRIDAY, DECEMBER 15, 2023[#]

*Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI/ICDR Regulations. The Anchor Investors shall Bid on the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Offer Opening Date.

[#]The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.

BASIS FOR THE OFFER PRICE

The Price Band, Offer Price and discount has been determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹10 each and the Offer Price is 75 times the face value at the lower end of the Price Band and 79 times the face value at the higher end of the Price Band.

Investors should also refer to the sections titled “Our Business”, “Risk Factors”, “Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 201, 32, 283 and 356, of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative factors: We believe that some of the qualitative factors and strengths which form the basis for computing the Offer Price are:

- (i) Leadership position in the Indian 'stationery and art material' industry with the widest range of products, driving rapid business growth:
- We are the second largest player in India’s branded 'stationery and art' products market, with a market share of ~12% by value, as of Fiscal 2023. Our core products such as 'pencils' and 'mathematical instrument boxes' enjoy a high market share, which were 29% and 30% market share by value in Fiscal 2023 respectively (*Source: Technopak Report*).
- We have a wide and differentiated product portfolio, which includes 3,878 SKUs as of September 30, 2023. As per the Technopak Report, we have the widest breadth of product categories amongst our peers in India and are amongst the few 'stationery and art material' products manufacturing and marketing companies globally with such product spread.
- While our product offerings having evolved significantly over the past several years, our highest selling product, which is 'pencils', contributed only 35.92% of our Gross Product Sales, amounting to ₹2,790.07 million in the six months period ended September 30, 2023. We have the least product concentration to overall revenue from the largest product segment among peers in Fiscal 2023 (*Source: Technopak Report*).
- Our presence across multiple stationery categories and price points has enabled us to be the fastest growing stationery and art material products company in India in terms of revenue during the period from Fiscal 2020 to Fiscal 2023 (*Source: Technopak Report*).
- (ii) Strong brand recall driven by high quality, innovative and differentiated products:
- We sell a diverse portfolio of products, occupying leadership positions in multiple product market categories in India (*Source: Technopak Report*). As per the Technopak Report, among 'core' peers, as defined in the report, we were the only company to have achieved a higher revenue in Fiscal 2022 (post Covid-19 imposed lockdown) vs. Fiscal 2020 (pre-Covid-19 imposed lockdown), which is indicative of the strength and resilience of our brand. As further recognition of our brand, we have been recipients of ‘The Economic Times Promising Brands 2021’ recognition from Economic Times, and ‘India’s No. 1 Brand Award 2017’ from the International Brand Consulting Corporation, USA.
- We have a dedicated team working at a state-of-the-art R&D facility in Umbergaon, Gujarat, which is equipped with modern and advanced machinery to develop, test, and evaluate our products. We also have an in-house designing team for developing concept-driven, impressionable designs and products catering to the evolving choices and needs of our target consumers, based on market research and trends.
- We have also entered into technical collaborations with FILA, through which we believe we have gained technical proficiency and assimilation of technology, in order to further develop and improve our products and processes.
- Over the years, we have introduced innovative and utility focused products such as, inclusion of a 'pencil extender' as an ancillary product to our colour pencil set, which enables the consumer to continue to use the pencils even after its size is reduced due to repeated sharpening.
- (iii) Robust manufacturing infrastructure, with a focus on backward integration to drive efficiencies:
- We operate 13 manufacturing facilities across Umbergaon, Gujarat, spread over approximately 34 acres of land covering approximately 1.18 million square feet and is one of the largest stationery manufacturing facilities in India (*Source: Technopak Report*). Our annual installed capacity as on March 31, 2023, for our key products was 4,734.93 million units.
- We also operate one 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, where we produce wooden slats from locally sourced wood. The wooden slats produced by us are further used as an input material for production of wood-cased pencils.
- We are focussed on achieving a greater degree of backward integration of our manufacturing processes, which we believe enables us to improve our efficiency, ensure quality control, reduce dependency on third parties and enhance profitability. In particular, we have backward integrated our manufacturing process by producing several key components and materials used in manufacturing of finished goods. For instance, there is complete backward integration in the manufacturing process for pencils.
- (iv) Robust multi-channel distribution network with strong pan India presence;
- We have a widespread multi-channel distribution network, through which we sell our products (i) through general trade, where we sell products to our super-stockists, who sell to a distributor, and who in turn sells it to a wholesaler or retailer; (ii) through modern trade, where we sell our 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 our products either in their own brand or under our flagship 'DOMS' brand.
- Our domestic distribution network for general trade comprises of over 120 super-stockists, and over 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 products manufactured by us are sold in over 45 countries globally.
- (v) Strategic partnership with FILA enabling access to global markets and product know-how; and
- FILA, our 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 (*Source: Technopak Report*). 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, including colouring, design, modelling, writing, and painting objects, such as pencils, crayons, modelling clay, chalk, oil colours, acrylics, watercolors, paints and paper for the fine arts, school and leisure in over 150 countries across 5 continents.
- Our collaboration with FILA has helped us expand our international footprint in Asia Pacific, Europe, and Middle Eastern markets with the distribution of our products. We have exclusive rights for the marketing, sales, and distribution of some of the products under the name and trademark of certain entities of FILA Group in India, Nepal, Bhutan, Sri Lanka, Bangladesh, Myanmar, and Maldives.
- Our knowledge sharing with FILA allows us to augment our R&D capabilities and enables us to remain updated with emerging global trends and technology. Being part of the FILA Group provides us access to their experience and technical know-how.
- (vi) Experienced Promoters and management team.
- Our Individual Promoters and Directors, Santosh Rasiklal Raveshia, Sanjay Mansukhlal Rajani, Chandni Vijay Somaia and Ketan Mansukhlal Rajani, have over 23 years, 38 years, 19 years and 20 years of experience, respectively in the 'stationery and art materials' products industry and have been instrumental in the growth of 'DOMS' as a brand.
- The Individual Promoters are actively involved in the day-to-day operations of our Company, ensuring tight cost control and improvements in margins.
- Our Corporate Promoter, FILA has its representatives on our Board, who bring their experience of the stationery industry and international exposure.

For further information, see “Our Business – Our Strengths” on page 204 of the RHP.

Quantitative factors: Certain information presented below, relating to us, is based on the Restated Consolidated Financial Information. For details, see the section titled “Restated Consolidated Financial Information” on page 283 of the RHP. Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

I. Basic and Diluted earnings per share (“EPS”)

Financial Year/Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2021	(1.07)	(1.07)	1
March 31, 2022	3.05	3.05	2
March 31, 2023	18.29	18.29	3
Weighted Average	9.98	9.98	
September 30, 2023 ^A	13.14	13.14	

^ANot Annualized

Notes:

⁽ⁱ⁾ The face value of each Equity Share is ₹10.

⁽ⁱⁱ⁾ Basic EPS = Restated profit for the year attributable to the equity holders of our Company/Weighted average number of Equity Shares outstanding during the year after considering Bonus shares which has been issued subsequent to March 31, 2023.

⁽ⁱⁱⁱ⁾ Diluted EPS (₹) = Restated profit for the year attributable to equity holders of our Company/Weighted average number of Equity Shares outstanding during the year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued on the conversion of all dilutive potential Equity Shares after considering Bonus shares which has been issued subsequent to March 31, 2023. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue of Equity Shares subsequent to March 31, 2023 in accordance with IND AS 33.

^(iv) Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 ‘Earnings per Share’.

^(v) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weight factor. The weighted average number of Equity Shares outstanding during the years are adjusted for the bonus issue.

^(vi) The Board of Directors at its meeting held on July 3, 2023 had approved the bonus issue of 150 new Equity Share for every one share held on record date which was approved by the shareholders by means of a special resolution dated July 3, 2023. Through a Board resolution dated July 6, 2023, our Company has allotted 558,77,700 Equity Shares of ₹10 each as bonus shares to the existing equity shareholders of our Company. Accordingly, the earnings per Equity Share have been adjusted for the aforementioned bonus issue.

^(vii) The figures disclosed above are derived from the Restated Consolidated Financial Information.

II. Price/Earning (“P/E”) ratio in relation to Price Band of ₹750 to ₹790 per Equity Share of our Company:

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on diluted EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2023	41.01	43.19
Based on basic EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2023	41.01	43.19

III. Industry peer company Price/Earning (“P/E”) ratio

Based on the peer company information (excluding our Company) given below in this section:

Particulars	P/E Ratio
Highest	64.14
Lowest	15.86
Industry composite	35.98

Notes:

⁽ⁱ⁾ The highest and lowest industry P/E shown above is based on the peer set provided below under “Comparison with listed industry peers”. The industry average has been calculated as the arithmetic average P/E of the peer set provided below.

⁽ⁱⁱ⁾ P/E figures for the peer are computed based on closing market price as on December 01, 2023 on BSE, divided by Diluted EPS based on the consolidated financial results declared by the peers available on website of www. bseindia.com for the Financial Year March 31, 2023.

IV. Return on Net Worth attributable to the owners of our Company (“RoNW”) as derived from the Restated Consolidated Financial Information

Financial Year ended	RoNW (%)	Weight
March 31, 2021	(3.86)%	1
March 31, 2022	5.81%	2
March 31, 2023	28.39%	3
Weighted Average	15.49%	
September 30, 2023 ^A	17.76%	

^ANot Annualised.

Notes:

⁽ⁱ⁾ Return on Net worth attributable to the owners of our Company (%) = Restated profit / (loss) for the year attributable to owners of the Company / Net worth attributable to owners of the Company.

⁽ⁱⁱ⁾ Net Worth shall mean the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Balance Sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

⁽ⁱⁱⁱ⁾ Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. [(RoNW x Weight) for each year] / [Total of weights].

V. Net Asset Value per Equity Share (Face value of ₹10) as derived from the Restated Consolidated Financial Information

Net Asset Value per Equity Share	(in ₹)
As on March 31, 2023	59.99
As on September 30, 2023	70.69
After completion of the Offer	
- At Floor Price	122.73
- At Cap Price	123.20
- At Offer Price	█

Notes:

⁽ⁱ⁾ Offer Price per Equity Share will be determined on conclusion of the Book Building Process

⁽ⁱⁱ⁾ Net Asset Value per share is calculated as Net Worth attributable to owners of the Company as at the end of Fiscal year divided by the weighted average number of Equity Shares used in calculating basic earnings per share. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue of Equity Shares subsequent to March 31, 2023, in accordance with IND AS 33

⁽ⁱⁱⁱ⁾ Net Worth shall mean the aggregate value of the paid-up share capital and all reserves created out of the profit, securities premium account and debit or credit balance of profit and loss account after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

^(iv) The Board of Directors at its meeting held on July 3, 2023 had approved the bonus issue of 150 new Equity Share for every one share held on record date which was approved by the shareholders by means of a special resolution dated July 3, 2023. Through a Board resolution dated July 6, 2023, our Company has allotted 558,77,700 Equity Shares of ₹10 each as bonus shares to the existing equity shareholders of our Company.

VI. Comparison of accounting ratios with listed industry peers

Name of the company	Face value per equity share (₹)	P/ E (₹)	Total revenue from operations (in ₹ million)	EPS Basic (₹)	EPS Diluted (₹)	RoNW (%)	Net asset value per equity share (₹)	Closing price as on December 01, 2023 (₹ per equity share)
DOMS Industries Limited	10	N.A. ^A	12,118.90	18.29	18.29	28.39	59.99	N.A. ^A
Listed peers								
Kokuyo Camlin Limited	1	64.14	7,749.43	2.44	2.44	9.31	26.18	156.50
Linc Limited	10	28.15	4,867.55	25.15	25.15	21.10	119.16	707.95
Navneet Education Limited	2	15.86	16,968.30	9.04	9.04	17.78	50.85	143.40
Flair Writing Industries Limited	5	35.76	9,426.60	12.66	12.66	27.18	46.57	452.70

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the financial statements of the respective company's filings made with stock exchanges available on www.bseindia.com for the Fiscal Year ending March 31, 2023.

^ATo be included in respect of the Company in the Prospectus based on the Offer Price.

Notes:

a. RoNW is computed as Restated profit / (loss) for the year attributable to owners of the Company / Net worth attributable to owners of the Company.

b. Net Worth shall mean the aggregate value of the paid-up share capital and all reserves created out of the profit, securities premium account and debit or credit balance of profit and loss account after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

c. NAV is computed as is calculated as Net Worth attributable to owners of the Company as at the end of Fiscal year divided by the weighted average number of Equity Shares used in calculating basic earnings per share. The weighted average number of Equity Shares outstanding during the year for the Company is adjusted for bonus issue of Equity Shares subsequent to March 31, 2023 in accordance with IND AS 33

d. P/E ratio for industry peers has been calculated as closing share price as of December 01, 2023, sourced from BSE, divided by diluted EPS.

VII. Key performance indicators (“KPIs”)

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help in analysing the growth of various verticals in comparison to our Company's listed peers, and other relevant and material KPIs of the business of our Company and have a bearing for arriving at the Basis for Offer Price.

The KPIs set forth below, have been approved and verified by the Audit Committee pursuant to its resolution dated November 24, 2023 and the Audit Committee has confirmed that other than the KPI set out below, our Company has not disclosed any other KPIs to investors at any point of time during the three years period prior to the date of the Red Herring Prospectus. Additionally, the KPIs have been subjected to verification and certification by, M. I. Shah and Co, Chartered Accountants by their certificate dated December 02, 2023.

Our Company shall continue to disclose the KPIs disclosed in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI/ICDR Regulations.

Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational KPIs, to assess our performance over the last three Fiscals. We have also described and defined the KPIs, as applicable, in “Definitions and Abbreviations” on page 1 of the RHP.

(in ₹ million, unless mentioned otherwise)

S. No.	Metric	As of and for the period ended			As at, or for the six months period ended September 30, 2023
		2021	2022	2023	
1.	Revenue from operations (in ₹ million)	4,028.17	6,836.01	12,118.90	7,617.98
2.	Growth in revenue from operations (%)	NA	69.71%	77.28%	NA
3.	Gross Product Sales (in ₹ million)	4,130.45	6,930.95	12,317.34	7,768.39
4.	Gross profit (in ₹ million)	1,574.72	2,515.29	4,485.23	3,028.81
5.	Gross margin (%)	39.09%	36.79%	37.01%	39.76%
6.	EBITDA (in ₹ million)	300.25	697.13	1,866.60	1,274.45
7.	EBITDA Margin (%)	7.45%	10.20%	15.40%	16.73%
8.	Profit after tax (PAT) (in ₹ million)	(60.26)	171.40	1,028.71	739.06
9.	PAT Margin (%)	(1.50)%	2.51%	8.49%	9.70%
10.	RoE (%)	NA	6.86%	33.54%	19.01% ^A
11.	RoCE (%)	0.36%	10.04%	33.31%	18.04% ^A
12.	Gross Fixed Assets Turnover (times)	1.88	2.82	3.30	1.67 ^A
13.	Net debt (borrowings) (in ₹ million)	682.63	691.40	583.65	1,265.06
14.	Gross Product Sales break up by distribution channel				
	Domestic (A)				
	General trade	2,906.85	4,921.82	9,156.91	5,871.74
	Modern trade and e-commerce platform	120.15	214.84	262.87	223.07
	Others ^B	101.76	146.98	321.82	231.68
	Total (A)	3,128.76	5,283.64	9,741.60	6,326.49
	Exports (B)				
	Export sales to FILA Group	693.13	1,065.31	1,586.07	854.82
	Third party export sales	308.57	582.00	989.67	587.10
	Total (B)	1,001.70	1,647.31	2,575.74	1,441.90
15.	Gross Product Sales break up by product category				
	Scholastic stationery	1,910.03	3,269.83	5,688.06	3,543.59
	Scholastic art material	975.20	1,663.70	2,927.97	2,029.86
	Paper stationery	402.54	640.78	1,273.52	773.15
	Kits and combos	464.95	796.86	1,263.83	672.58
	Office supplies	245.60	403.06	752.45	488.05
	Hobby and craft	3.72	6.46	157.26	112.64
	Fine art products	58.13	96.20	141.69	83.18
	Others ^C	70.28	54.06	112.56	65.34

^ANot annualised.

^BOthers includes OEMs, institutional sales, merchant exports and other ancillary sales.

^COthers' category would include sale of by-products and other materials.

Note: NA for the Company refers to not available, as the Restated Consolidated Financial Information for Fiscal 2020 and six months ended September 30, 2022, is not available.

Notes:

1. Revenue from operations is calculated as revenue from sale of products and other operating income as per the Restated Consolidated Financial Information.

2. Growth in revenue from operations is calculated as a percentage increase/(decrease) in revenue from operations of current Fiscal year compared to previous Fiscal year.

3. Gross Product Sales is calculated as revenue from sale of products as per the Restated Consolidated Financial Information, gross of sales incentives, rebates, and discounts.

4. Gross profit is calculated as revenue from operations less cost of material consumed, purchase of stock-in-trade and changes in inventories of finished goods, stock-in-trade and work-in-progress as per the Restated Consolidated Financial Information.

5. Gross margin is calculated as a percentage of gross profit divided by revenue from operations.

6. EBITDA is calculated as profit before tax, depreciation and amortisation expense and finance costs less share of profit equity accounted investees and other income as per the Restated Consolidated Financial Information.

7. EBITDA margin is calculated as a percentage of EBITDA divided by revenue from operations as per the Restated Consolidated Financial Information.

8. PAT represents total profit for the year as per the Restated Consolidated Financial Information.

9. PAT margin is calculated as a percentage of PAT divided by revenue from operations as per the Restated Consolidated Financial Information.

10. ROE is calculated as a percentage of PAT divided by average total equity at beginning and end of the year as per the Restated Consolidated Financial Information.

11. ROCE is calculated as a percentage of Earnings before interest and Taxes / Total Equity plus Total Borrowings plus Deferred Tax Liabilities minus Deferred tax assets as per the Restated Consolidated Financial Information. EBIT is calculated as profit before tax and share of associates plus finance costs.

12. Gross fixed assets turnover is calculated as revenue from operations divided by gross property, plant and equipment as per the Restated Consolidated Financial Information.

13. Net debt (borrowings) is calculated as Total Debt as reduced by cash and cash equivalents and bank balances other than cash and cash equivalents.

14. Gross Product Sales break up by distribution channel provides the split of gross product sales by different distribution channels across domestic and export sales.

15. Gross Product Sales break up by product category provides the split of gross product sales by different product categories.

Explanation for the Key Performance Indicator metrics

Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company is below:

KPI	Explanation
Revenue from operations	Revenue from operations is used by the management to track the revenue which is generated from our business. This in turn helps assess the overall financial performance of our Company and access if our strategy is positively impacting the business.
Growth in revenue from operations (%)	Growth in revenue from operations is calculated as a percentage increase/(decrease) in revenue from operations of current Fiscal year compared to previous Fiscal year
Gross product sales	Gross Product Sales provides information regarding revenue from sales of products gross of sales incentives, rebates, and discounts
Gross profit	Gross Profit is used by the management to track information regarding the efficiency with which our Company is consuming materials in manufacturing and sale of its products.
Gross margin (%)	Gross Profit Margin is an indicator of the profitability that allows the management to understand the percentage of revenues that exceeds the consumption of materials and cost of goods sold.
EBITDA	EBITDA is calculated as profit before tax, depreciation and amortisation expense and finance costs less share of profit equity accounted investees and other income as per the Restated Consolidated Financial Information
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of the business.
Profit after tax (PAT)	Profit after tax is used by the management to track the overall profitability of the business.
Profit after tax (PAT) Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of the business.
Return on Equity (RoE) (%)	RoE is used by the management to track how efficiently our Company generates profits from shareholders' funds and how well it is converting its shareholders funds to generate profits.
Return on Capital Employed (ROCE) (%)	ROCE is used by the management to track how efficiently our Company generates earnings from the capital employed in the business and how well it is converting its total capital to generate profits.
Gross Fixed Assets Turnover	The fixed asset turnover ratio is used by the management to track how efficiently our Company is generating revenue from operations from its existing gross block of fixed assets.
Net debt (borrowings)	The Net debt (borrowings) ratio is used by the management to track whether our Company can repay its obligations if they were all due today and whether our Company is able to take on more debt
Gross Product Sales break up by distribution channel	This metric enables the management to track the progress of gross revenue from sale of products across different distribution channels of domestic and export sales
Gross Product Sales break up by product category	This metric enables the management to track the progress of gross revenue from sale of products across different product categories including scholastic stationery, scholastic stationery, paper stationery, kits and combos, office supplies, hobby and craft, fine art products and others.

For any further details of our KPIs, see sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 201 and 356, of the RHP, respectively.

Continued on next page...

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BASIS FOR THE OFFER PRICE

VIII. Comparison of our Key Performance Indicators with our listed industry peers
(a) Comparison with listed industry peers (six months ended September 2023)

(in ₹ million, unless mentioned otherwise)

Particulars	DOMS Industries Limited	Kokuyo Camlin Limited	Linc Limited	Navneet Education Limited	Flair Writing Industries Limited®
Revenue from Operations	7,617.98	4,306.29	2,430.95	10,572.30	NA
Growth in Revenue from Operations (%)	NA	11.56%	8.08%	3.29%	NA
Gross product sales	7,768.39	NA	NA	NA	NA
Gross profit	3,028.81	1,656.05	953.02	5,031.30	NA
Gross margin (%)	39.76%	38.46%	39.20%	47.59%	NA
EBITDA	1,274.45	415.15	257.35	2,045.80	NA
EBITDA Margin (%)	16.73%	9.64%	10.59%	19.35%	NA
Profit after tax (PAT)	739.06	278.45	150.91	1,805.40	NA
PAT Margin (%)	9.70%	6.47%	6.21%	17.08%	NA
RoE (%)^	19.01%	10.14%	8.34%	14.89%	NA
RoCE (%)^	18.04%	12.42%	11.47%	13.53%	NA
Gross Fixed Assets Turnover (times)^	1.67	NA	NA	NA	NA
Net debt (Borrowings)	1,265.06	90.90	(160.83)	(439.70)	NA
Gross Product Sales break up by distribution channel					
Domestic (A)					
General trade	5,871.74	NA	NA	NA	NA
Modern trade and e-commerce platform	223.07	NA	NA	NA	NA
Others*	231.68	NA	NA	NA	NA
Total (A)	6,326.49	NA	NA	NA	NA
Exports (B)					
Export sales to FILA Group	854.82	NA	NA	NA	NA
Third party export sales	587.08	NA	NA	NA	NA
Total (B)	1,441.90	NA	NA	NA	NA
Gross Product Sales break up by product category					
Scholastic stationery	3,543.59	NA	NA	NA	NA
Scholastic art material	2,029.86	NA	NA	NA	NA
Paper stationery	773.15	NA	NA	NA	NA
Kits and combos	672.58	NA	NA	NA	NA
Office supplies	488.05	NA	NA	NA	NA
Hobby and craft	112.64	NA	NA	NA	NA
Fine art products	83.18	NA	NA	NA	NA
Others*	65.34	NA	NA	NA	NA

(b) Comparison with listed industry peers (Fiscal 2023)

(in ₹ million, unless mentioned otherwise)

Particulars	DOMS Industries Limited	Kokuyo Camlin Limited	Linc Limited	Navneet Education Limited	Flair Writing Industries Limited
Revenue from Operations	12,118.90	7,749.43	4,867.55	16,968.30	9,426.60
Growth in Revenue from Operations (%)	77.28%	52.41%	37.13%	52.28%	63.26%
Gross product sales	12,317.34	8,276.49	4,877.48	NA	9,441.70
Gross profit	4,485.23	2,867.10	1,921.60	8,508.90	4,338.91
Gross margin (%)	37.01%	37.00%	39.48%	50.15%	46.03%
EBITDA	1,866.60	543.68	613.59	2,980.10	1,835.13
EBITDA Margin (%)	15.40%	7.02%	12.61%	17.56%	19.47%
Profit after tax (PAT)	1,028.71	244.47	373.97	2,037.60	1,181.00
PAT Margin (%)	8.49%	3.15%	7.68%	12.01%	12.53%
RoE (%)	33.54%	9.74%	23.37%	19.40%	31.40%
RoCE (%)	33.31%	12.36%	28.14%	17.39%	29.94%
Gross Fixed Assets Turnover (times)	3.30	3.80	3.00	3.37	2.60
Net debt (Borrowings)	583.65	473.15	(124.05)	2,487.00	1,147.98
Gross Product Sales break up by distribution channel					
Domestic (A)					
General trade	9,156.91	NA	NA	NA	NA
Modern trade and e-commerce platform	262.87	NA	NA	NA	NA
Others*	321.82	NA	NA	NA	NA
Total (A)	9,741.60	NA	NA	NA	NA
Exports (B)					
Export sales to FILA Group	1,586.07	NA	NA	NA	NA
Third party export sales	989.67	NA	NA	NA	NA
Total (B)	2,575.74	NA	NA	NA	NA
Gross Product Sales break up by product category					
Scholastic stationery	5,688.06	NA	NA	NA	NA
Scholastic art material	2,927.97	NA	NA	NA	NA
Paper stationery	1,273.52	NA	NA	NA	NA
Kits and combos	1,263.83	NA	NA	NA	NA
Office supplies	752.45	NA	NA	NA	NA
Hobby and craft	157.26	NA	NA	NA	NA
Fine art products	141.69	NA	NA	NA	NA
Others*	112.56	NA	NA	NA	NA

(c) Comparison with listed industry peers (Fiscal 2022)

(in ₹ million, unless mentioned otherwise)

Particulars	DOMS Industries Limited	Kokuyo Camlin Limited	Linc Limited	Navneet Education Limited	Flair Writing Industries Limited
Revenue from operations	6,836.01	5,084.72	3,549.57	11,143.00	5,773.98
Growth in revenue from operations (%)	69.71%	26.13%	38.30%	33.52%	93.77%
Gross product sales	6,930.95	5,484.23	3,556.69	NA	5,760.55
Gross profit	2,515.29	1,960.05	1,174.74	5,826.10	2,692.04
Gross margin (%)	36.79%	38.55%	33.10%	52.28%	46.62%
EBITDA	697.13	165.08	215.28	1,626.10	975.68
EBITDA Margin (%)	10.20%	3.25%	6.06%	14.59%	16.90%
Profit after tax (PAT)	171.40	(47.28)	81.33	743.50	551.51
Profit after tax (PAT) Margin (%)	2.51%	(0.93)%	2.29%	6.67%	9.55%
Return on Equity (ROE) (%)	6.86%	(1.96)%	5.86%	7.91%	19.06%
Return on Capital Employed (ROCE) (%)	10.04%	(0.15)%	7.76%	12.19%	18.43%
Gross Fixed Assets Turnover (times)	2.82	2.47	2.47	2.26	2.00
Net debt (Borrowings)	691.40	632.16	27.94	841.90	1,259.99
Gross Product Sales break up by distribution channel					
Domestic (A)					
General trade	4,921.82	NA	NA	NA	NA
Modern trade and e-commerce platform	214.84	NA	NA	NA	NA
Others*	146.98	NA	NA	NA	NA
Total (A)	5,283.64	NA	NA	NA	NA
Exports (B)					
Export sales to FILA Group	1,065.31	NA	NA	NA	NA
Third party export sales	582.00	NA	NA	NA	NA
Total (B)	1,647.31	NA	NA	NA	NA
Gross Product Sales break up by product category					
Scholastic stationery	3,269.83	NA	NA	NA	NA
Scholastic art material	1,663.70	NA	NA	NA	NA
Paper stationery	640.78	NA	NA	NA	NA
Kits and combos	796.86	NA	NA	NA	NA
Office supplies	403.06	NA	NA	NA	NA
Hobby and craft	6.46	NA	NA	NA	NA
Fine art products	96.20	NA	NA	NA	NA
Others*	54.06	NA	NA	NA	NA

(d) Comparison with listed industry peers (Fiscal 2021)

(in ₹ million, unless mentioned otherwise)

Particulars	DOMS Industries Limited	Kokuyo Camlin Limited	Linc Limited	Navneet Education Limited	Flair Writing Industries Limited
Revenue from operations	4,028.17	4,031.24	2,566.61	8,345.70	2,979.88
Growth in revenue from operations (%)	NA	(36.42)%	(35.35)%	(44.81)%	NA
Gross product sales	4,130.45	4,469.17	2,555.63	NA	2,936.48
Gross profit	1,574.72	1,668.11	839.38	4,374.90	1,315.64
Gross margin (%)	39.09%	41.38%	32.70%	52.42%	44.15%
EBITDA	300.25	88.43	101.70	870.20	229.96
EBITDA Margin (%)	7.45%	2.19%	3.96%	10.43%	7.72%
Profit after tax (PAT)	(60.26)	(146.18)	0.39	559.10	9.89
Profit after tax (PAT) Margin (%)	(1.50)%	(3.63)%	0.02%	6.70%	0.33%
Return on Equity (ROE) (%)	NA	(5.93)%	0.03%	6.23%	NA
Return on Capital Employed (ROCE) (%)	0.36%	(2.87)%	(0.73)%	5.48%	3.34%
Gross Fixed Assets Turnover (times)	1.88	1.83	2.17	1.84	1.16
Net debt (Borrowings)	682.63	711.83	78.48	191.50	1,133.63
Gross Product Sales break up by distribution channel					
Domestic (A)					
General trade	2,906.85	NA	NA	NA	NA
Modern trade and e-commerce platform	120.15	NA	NA	NA	NA
Others*	101.76	NA	NA	NA	NA
Total (A)	3,128.76	NA	NA	NA	NA
Exports (B)					
Export sales to FILA Group	693.13	NA	NA	NA	NA
Third party export sales	308.57	NA	NA	NA	NA
Total (B)	1,001.70	NA	NA	NA	NA

(d) Comparison with listed industry peers (Fiscal 2021)

(in ₹ million, unless mentioned otherwise)

Particulars	DOMS Industries Limited	Kokuyo Camlin Limited	Linc Limited	Navneet Education Limited	Flair Writing Industries Limited
Gross Product Sales break up by product category					
Scholastic stationery	1,910.03	NA	NA	NA	NA
Scholastic art material	975.20	NA	NA	NA	NA
Paper stationery	402.54	NA	NA	NA	NA
Kits and combos	464.95	NA	NA	NA	NA
Office supplies	245.60	NA	NA	NA	NA
Hobby and craft	3.72	NA	NA	NA	NA
Fine art products	58.13	NA	NA	NA	NA
Others*	70.28	NA	NA	NA	NA

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

*Others' category would include sale of by-products and other materials.

® NA refers to not available, as the restated consolidated financial information for September 2023 for Flair Writing Industries Limited is currently not available.

Note: NA for the Company refers to not available, as the Restated Consolidated Financial Information for Fiscal 2020 is not available.

Notes relating to key performance indicators of Industry Peers:

- Revenue from operations is calculated as revenue from sale of products and other operating income as per the Restated Consolidated Financial Information.
- Growth in revenue from operations is calculated as a percentage increase/decrease in revenue from operations of current Fiscal year compared to previous Fiscal year.
- Gross Product Sales is calculated as revenue from sale of products as per the Restated Consolidated Financial Information, gross of sales incentives, rebates, and discounts.
- Gross profit is calculated as revenue from operations less cost of material consumed, purchase of stock-in-trade and changes in inventories of finished goods, stock-in-trade and work-in-progress as per the Restated Consolidated Financial Information.
- Gross margin is calculated as a percentage of gross profit divided by revenue from operations.
- EBITDA is calculated as profit before tax, depreciation and amortisation expense and finance costs less share of profit equity accounted investees and other income as per the Restated Consolidated Financial Information.
- EBITDA margin is calculated as a percentage of EBITDA divided by revenue from operations as per the Restated Consolidated Financial Information.
- PAT represents total profit for the year as per the Restated Consolidated Financial Information.
- PAT margin is calculated as a percentage of PAT divided by revenue from operations as per the Restated Consolidated Financial Information.
- ROE is calculated as a percentage of PAT divided by average total equity at beginning and end of the year as per the Restated Consolidated Financial Information.
- ROCE is calculated as a percentage of Earnings before interest and Taxes / Total Equity plus Total Borrowings plus Deferred Tax Liabilities minus Deferred tax assets as per the Restated Consolidated Financial Information. EBIT is calculated as profit before tax and share of associates plus finance costs.
- Gross fixed assets turnover is calculated as revenue from operations divided by gross property, plant and equipment as per the Restated Consolidated Financial Information.
- Net debt (borrowings) is calculated as Total Debt as reduced by Cash & Cash Equivalents and Bank Balances other than Cash & Cash Equivalents.
- Gross Product Sales break up by distribution channel provides the split of gross product sales by different distribution channels across domestic and export sales.
- Gross Product Sales break up by product category provides the split of gross product sales by different product categories.
- NA for Industry Peers refers to information not publicly available.

The KPIs set out above are not standardised terms and accordingly a direct comparison of such KPIs between companies may not be possible. Other companies may calculate such KPIs differently from us.

IX. Comparison of Key Performance Indicators based on additions or dispositions to our business

Our Company has not undertaken a material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

X. Weighted Average Cost of Acquisition, Floor Price and Cap Price

(a) The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the primary/new issue of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Transactions")

There has been no issuance of Equity Shares or convertible securities, (excluding the issuance of bonus shares), during the 18 months preceding the date of the RHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(b) The price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on the secondary sale / acquisition of Equity Shares or convertible securities involving any of the Promoters, members of the Promoter Group, Selling Shareholders or Shareholders with rights to nominate directors during the 18 months preceding the date of filing of the Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate director(s) are a party to the transaction (excluding gifts), during the 18 months preceding the date of the RHP, where the acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s)) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last five primary or secondary transactions (secondary transactions where our Promoters / members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), during the three years prior to the date of the Red Herring Prospectus irrespective of the size of transactions, is as below:

Date of allotment/ transaction	No. of Equity Shares	Face value per Equity Shares	Issue/ transaction price per Equity Share (₹)	Nature of allotment / transaction	Nature of consideration	Total consideration (in ₹ million)
Primary transactions						
July 6, 2023	55,877,700	10	N.A.	Bonus issue in the ratio of 150 Equity Shares for every one existing Equity Share held	N.A.	N.A.
Total	55,877,700					
Weighted average cost of acquisition (primary transaction)						
Secondary transactions						
Total	Nil				Nil	Nil
Weighted average cost of acquisition (secondary transaction)						

Note: The above details have been certified by M.J. Shah & Co., Chartered Accountants by their certificate dated December 02, 2023.

There have been no secondary transactions in Equity Shares of our Company (i.e., secondary transactions where our Promoters, members of our Promoter Group and/or Shareholders of our Company having the right to nominate director(s) on the Board of Directors of the Company, are a party to the transaction), during the three years prior to the date of the Red Herring Prospectus.

(d) Weighted average cost of acquisition, floor price, and cap price

Based on the disclosures in (a), (b) and (c) above, the weighted average cost of acquisition of Equity Shares as compared with the Floor Price and Cap Price is set forth below:

Type of transactions	WACA (in ₹)	Floor Price (₹ 750)	Cap Price (₹ 790)
I. Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA ¹	NA	NA
II. Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities, where promoter/ promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) or selling shareholder in the Board are a party to the transaction, during the 18 months preceding the date of filing of the Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA ¹	NA	NA
III. Since there are no such transactions to report to under (I) and (II) above, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of the Red Herring Prospectus irrespective of the size of the transaction, is as below:	NA ¹		
a) WACA* of Equity Shares based on primary issuances undertaken during the three immediately preceding years	NA ¹	NA	NA
b) WACA* of Equity Shares based on secondary transactions undertaken during the three immediately preceding years	NA ¹	NA	NA

*WACA has been mentioned as N.A. since there have been no transactions excluding bonus issuance.

XI. Explanation for Offer Price/Cap Price vis-a-vis weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out above) along with our Company's key performance indicators and financial ratios for the six months ended September 30, 2023 and for Fiscals 2023, 2022 and 2021 and in view of the external factor which may have influenced the pricing of the Offer :

- We are the second largest player in India's branded 'stationery and art' products market, with a market share of ~12% by value, as of Fiscal 2023 (Source: Technopak Report).
- We design, develop, manufacture, and sell a wide range of stationery and art products, primarily under our flagship brand 'DOMS', in the domestic market as well as in over 45 countries internationally, as of September 30, 2023. We sell a diverse portfolio of products which occupy leadership positions in multiple of their respective product market categories in India (Source: Technopak Report)
- Our core products such as 'pencils' and 'mathematical instrument boxes' enjoy high market shares; 29% and 30% market share by value in Fiscal 2023 respectively (Source: Technopak Report).
- As per the Technopak Report, we have the widest breadth of product categories amongst our peers in India and are amongst the few 'stationery and art material' products manufacturing and marketing companies globally with such a wide product breadth. This has also allowed us to achieve the least concentration to overall revenue from the largest product segment among peers as of Fiscal 2023 (Source: Technopak Report).
- Our presence across multiple such categories and price points has enabled us to be the fastest growing 'stationery and art material' products company in India in terms of revenue over the period from Fiscal 2020 to Fiscal 2023 (Source: Technopak Report).
- We sell a diverse portfolio of products which occupy leadership positions in multiple of their respective product market categories in India (Source: Technopak Report)
- Further, in 2012, our 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. Our partnership with FILA has enabled us to gain access to international markets for distribution of our products, augmentation of our R&D and technological capabilities.
- Our domestic distribution network for general trade comprises of over 120 super-stockists, and over 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.
- We operate 13 manufacturing facilities across Umbargaoon, Gujarat, spread over approximately 34 acres of land covering approximately 1.18 million square feet and is one of the largest stationery manufacturing facilities in India (Source: Technopak Report).
- We have shown consistent financial performance over the last three Fiscals, with our 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, our 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.

XIII. The Offer price is [●] times of the face value of the Equity Share

The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand from Bidders for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

The trading price of Equity Shares could decline due to factors mentioned in the section titled "Risk Factors" on page 32 of the RHP and you may lose all or part of your investments. Bidders should read the above-mentioned information along with the sections titled "Our Business", "Management's Discussion and Analysis of Financial Position and Results of Operations" and "Financial Information" on pages 201, 356 and 283 of the RHP respectively, to have a more informed view before making an investment decision.

FOR FURTHER DETAILS, SEE "BASIS FOR THE OFFER PRICE" ON PAGE 111 OF THE RHP.

discretionary basis (the “**Anchor Investor Portion**”). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors (“**Anchor Investor Allocation Price**”) in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion) (“**Net QIB Portion**”). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, (a) not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders (“**Non-Institutional Portion**”) (out of which one-third of the Non-Institutional Portion shall be reserved for Bidders with Bids exceeding ₹ 20 million up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion shall be reserved for Bidders with Bids exceeding ₹ 1.00 million) and under-subscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Bidders in the other sub-category of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price); and (b) not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders (“**Retail Portion**”) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders, other than Anchor Investors, are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount (“**ASBA**”) process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders (*defined hereinafter*), which will be blocked by the Self Certified Syndicate Banks (“**SCSBs**”) or the Sponsor Bank(s), as the case may be, to the extent of their respective Bid Amounts. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see the section titled “*Offer Procedure*” on page 433 of the RHP.

Contents of the Memorandum of Association of our Company as regards its objects: For information on the main objects of our Company, please see the section “History

Liability of the members of our Company: Limited by shares

Names of signatories to the Memorandum of Association of our Company and the number of Equity Shares subscribed by them: The initial signatories to the Memorandum of Association of our Company are Santosh Rasiklal Raveshia who subscribed to 6,600 Equity Shares and Ritesh Shankarlal Mundhra who subscribed to 3,400 Equity Shares. For details of the share capital history and capital structure of our Company, please see the section titled "*Capital Structure*" on page 87 of the RHP.

Disclaimer Clause of the Securities and Exchange Board of India ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 408 and 409 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of BSE (Designated Stock Exchange) : It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 411 of the RHP for the full text of the disclaimer clause of BSE.

General Risk: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to the section titled “*Risk Factors*” on page 32 of the RHP.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the section titled “Risk Factors” on page 32 of the RHP, before applying in the Offer. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and the website of the Company at www.domsindia.com and the websites of the Book Running Lead Managers (“**BRLMs**”), i.e. JM Financial Limited, BNP Paribas, ICICI Securities Limited and IIFL Securities Limited at www.jmfl.com, www.bnpparibas.co.in, www.icicisecurities.com and www.iiflcap.com, respectively and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

Sub-Syndicate Members: Almondz Global Securities Ltd, Anand Rathi Share & Stock Brokers Ltd, Axis Capital Ltd, Centrum Broking Ltd, Centrum Wealth Management Ltd, Choice Equity Broking Private Limited, DB(International) Stock Brokers Ltd, Eureka Stock & Share Brokers Ltd, Globe Capital Markets Ltd, HDFC Securities Limited, IDBI Capital Markets & Securities Ltd, JM Financial Services Limited, Jyobanputra Fscal Services Pvt. Ltd, KJMC Capital Markets Ltd, Kotak Securities Limited, LKP Securities Limited, Inventure Growth & Securities Ltd, Motilal Oswal Financial Services Limited, Nirmal Bang Securities Pvt.Ltd., Nuvama Wealth Management Ltd, Prabhudas Lilladher Pvt Limited, Pravin Ratial Share & Stock Brokers Ltd, Religare Broking Ltd., RR Equity Brokers Pvt. Ltd, SBICAP Securities Ltd, Sharekhan Ltd, SMC Global Securities Ltd, SS Corporate Securities Ltd, Standard Chartered Securities Limited, Sushil Financial Services Pvt.Ltd., Systematic Shares and Stocks (India) Limited, Tradebulls Securities Private Limited and Yes Securities (India) Limited

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in

Place: Umbergaon, Gujarat
Date: December 6, 2023

For **DOMS INDUSTRIES LIMITED**
On behalf of the Board of Directors
Sd/-
Mitesh Padia
Company Secretary and Compliance Officer

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made. There will be no public offering of the Equity Shares in the United States.