



DOMS[®]

EVERY AMBITION NEEDS PREPARATION

Sector - Printing & Stationery.

Issue Opens - December 13, 2023 to December 15, 2023

Price Band
₹750 to ₹790

Face Value
₹10

Lot Size
18 Shares

Issue Size
₹1,200.00 Cr

Issue Type
Book Built

Research@ganeshstock.com

IMPORTANT EVENTS



Issue Size

15,189,873 share / ₹1,200.00 Cr)

Fresh Issue

4,430,380 shares / ₹350.00 Cr)

Offer for Sale

10,759,493 shares / ₹850.00 Cr)

Basis of Allotment

Monday, December 18, 2023

Initiation of Refunds

Tuesday, December 19, 2023

Credit of Shares to Demat

Tuesday, December 19, 2023

DOMS IPO Listing date

Wednesday, December 20, 2023

PROMOTERS

- **Mr. Sanjay Mansukhlal Rajani (Whole Time Director)**
- **Mr. Ketan Mansukhlal Rajani (Whole Time Director)**
- **Massimo Candela (Non-Executive Director)**
- **Mr. Rajiv Ishwarbhai Mistry (Independent Director)**

Promoters collectively hold 92.7% (Post Issue) of the Equity Share.

ABOUT THE COMPANY



DOMS Industries, backed by the prestigious 'DOMS' brand, is a leading name in India's 'stationery and art' sector. The company boasts high brand recognition for its diverse range of creative items, which includes scholastic and office equipment, art materials, and more. Its major items, such as "pencils" and "mathematical instrument boxes," hold large market shares. DOMS Industries, which operates domestically and internationally in 40 countries, is noted for its R&D focus, integrated manufacturing, and extensive distribution network.

DESCRIPTION OF THEIR BUSINESS

As of March 31, 2023, they will have over 3,770 SKUs in their diverse and well-defined product category, which includes (i) academic stationery; (ii) academic art material; (iii) paper stationery; (iv) kits and combos; (v) office supplies; (vi) hobby and craft; and (vii) fine art products.

DOMS

"DOMS" is the primary brand of DOMS. The "DOMS" brand of items is renowned for its superior quality and innovative product design. Under this name, they sell everything related to academic stationery, academic art supplies, paper stationery, office supplies, hobby and craft items, and kits and combos.



C3

The "C3" brand was introduced in 2012 with the aim of targeting the budget-conscious consumer sector. The main item in this category are polymer pencils, which are marginally less expensive than wooden pencils. In order to establish the "C3" brand, they also introduced other products in addition to the polymer pencils. Color pencils, erasers, sharpeners, combo sets, chalk, and mathematical instrument boxes are some of these products.



Joy of Creation

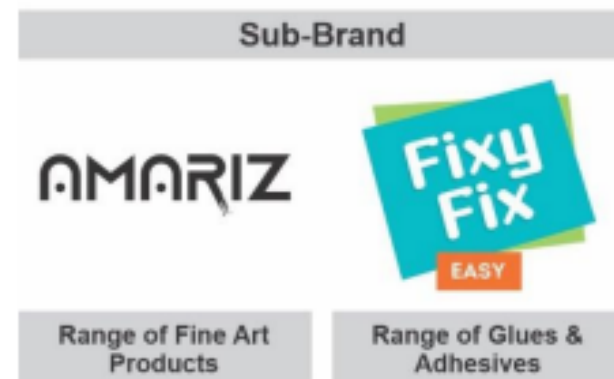


Amariz

'Amariz' was launched in the year 2022, as a sub-brand under Their flagship brand 'DOMS'. they have 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

'FixyFix' was launched in the year 2023, as a sub-brand under the flagship brand 'DOMS'. They offer 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'.



OBJECTS OF THE OFFER

The Company proposes to utilize the Net Proceeds towards the funding of the following objects:

- Proposing to partly finance the cost of establishing a new manufacturing facility to expand its production capabilities for a wide range of writing instruments, watercolour pens, markers, and highlighters.
- General corporate purposes.

TRACK RECORD OF FINANCIAL PERFORMANCE

The following table sets forth their sales from the key products across their product categories for the period indicated:

Key products	Fiscal 2021		Fiscal 2022		Fiscal 2023	
	Amount (₹ million)	% of Gross Product Sale	Amount (₹ million)	% of Gross Product Sales	Amount (₹ million)	% of Gross Product Sales
Wooden pencils	1,527.95	36.99	2,311.17	33.35	3,899.88	31.66
Crayons	226.45	5.48	351.60	5.07	724.42	5.88
Mathematical instruments box	134.44	3.25	344.97	4.98	688.36	5.59
Sketch pens	186.08	4.51	368.36	5.31	688.10	5.59
Erasers	195.95	4.74	424.55	6.13	668.63	5.43
Exercise books	217.04	5.25	292.53	4.22	663.76	5.39
Total	2,487.91	60.23	4,093.18	59.06	7,333.16	59.54

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

(₹ in million, unless mentioned otherwise)

Particulars	DOMS Industries Limited	Kokuyo Camlin Limited	Line Limited	Pidilite Industries Limited
Revenue from Operations	12,118.90	7,749.43	4,867.55	1,17,991.00
Growth in Revenue from Operations (%)	77.28%	52.41%	37.13%	18.93%
Gross product sales	12,317.34	8,276.49	4,877.48	NA
Gross profit	4,485.23	2,867.10	1,921.60	50,397.00
Gross margin (%)	37.01%	37.00%	39.48%	42.71%
EBITDA	1,866.60	543.68	613.59	19,843.70
EBITDA Margin (%)	15.40%	7.02%	12.61%	16.82%
Profit after tax (PAT)	1,028.71	244.47	373.97	12,888.70
PAT Margin (%)	8.49%	3.15%	7.68%	10.92%
RoE (%)	33.54%	9.74%	23.37%	18.35%
RoCE (%)	33.31%	12.36%	28.14%	22.09%
Gross Fixed Assets Turnover (times)	3.30	3.80	3.00	3.74
Net debt (Borrowings)	583.65	473.15	(124.05)	(1,633.90)



Profit and Loss Statement

(₹ in million, unless otherwise stated)

Particulars	For the Fiscal 2021	For the Fiscal 2022	For the Fiscal 2023
Income			
Revenue from operations	4,028.17	6,836.01	12,118.90
Other income	59.71	26.24	46.33
Total income (I)	4,087.88	6,862.25	12,165.23
Expenses			
Cost of materials consumed	2,321.45	4,251.36	7,427.37
Purchase of stock-in-trade	115.61	137.15	261.05
Changes in inventories of finished goods, stock-in-trade and work-in-progress	16.39	(67.79)	(54.75)
Employee benefits expense	710.63	1,014.12	1,417.96
Finance costs	88.05	103.00	118.80
Depreciation and amortisation expense	347.69	380.13	406.50
Other expenses	563.84	804.04	1,200.68
Total expenses (II)	4,163.66	6,622.01	10,777.61
Share of profit equity accounted investees	-	-	0.01
Profit/(loss) before tax for the year (I-II-III)	(75.78)	240.24	1,387.63
Tax expenses			
Current tax	24.34	75.38	378.53
Deferred tax (credit)	(39.86)	(6.54)	(19.61)
	(15.52)	68.84	358.92
Profit/(loss) for the year	(60.26)	171.40	1,028.71
Other comprehensive (loss)/income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	14.38	(9.69)	(0.43)
Income tax relating to these items	(3.62)	2.44	0.11
Total other comprehensive income for the year	10.76	(7.25)	(0.32)
Total comprehensive income for the year (VII+VIII)	(49.50)	164.15	1,028.39
Profit/(loss) attributable to :			
Owners of the parent	(90.18)	143.61	958.12
Non-controlling interest	29.92	27.79	70.59
Other comprehensive income/(loss) attributable to :			
Owners of the parent	10.76	(7.25)	(0.52)
Non-controlling interest	-	-	0.20
Total comprehensive income / (loss) attributable to :			
Owners of the parent	(79.42)	136.36	957.60
Non-controlling interest	29.92	27.79	70.79
Earnings per Equity Share			
Basic (₹)	(1.07)	3.05	18.29
Diluted (₹)	(1.07)	3.05	18.29



STRENGTHS

- Strong brand recall fueled by high-quality, innovative, and distinctive products;
- World-class manufacturing infrastructure with an emphasis on backward integration to drive efficiencies;
- Robust multi-channel distribution network with strong pan-India and international presence;
- Strategic partnership with FILA enabling access to global markets and product know-how; and
- Experienced Promoters and management team. The company holds a leadership position in the Indian "stationery and art material" industry and offers the widest range of products, which accelerates business growth.

RISKS

- DOMS's sales revenue is derived from a single product, which is the wooden pencil. It is not impossible for rivals to create anything of this kind. As a result, the company faces the risk of concentration.
- Smaller players may falsely utilize DOMS's brand name or a similar one because it is simple to replicate the goods. This might reduce the amount of sales that DOMS's brand generates.
- With its suppliers, DOMS does not have any official agreements or exclusive supply arrangements. Their supply chain could therefore be disrupted.



VALUATION AND OUTLOOK

The issue's price range, in terms of valuation, is INR ₹750 to ₹790 per share. A P/E ratio of DOMS Limited is 43.19x is based on a price range above INR 790 and FY23 EPS of INR 18.29 with an industry average of 35.99X.

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

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 August 11, 2023 (₹ per equity share)
DOMS Industries Limited	10	N.A. [#]	12,118.90	18.29	18.29	28.39	59.99	N.A. [#]
Listed peers								
Kokuyo Camlin Limited	1	63.75	7,749.43	2.44	2.44	9.31	26.18	155.55
Line Limited	10	25.90	4,867.55	25.15	25.15	21.10	119.16	651.40
Pidilite Industries Limited	1	101.67	117,991.00	25.05	25.03	17.65	141.89	2,544.70

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.

[#]To be included in respect of the Company in the Prospectus based on the Offer Price.

Paper products, writing instruments, computer stationery, school stationery, office stationery, stationery adhesives, and art & craft products are among the products and categories dealt in by the stationery and art materials sector. The global market was valued at approximately USD 192 billion in CY 22 and expected to reach a market size of USD 220 billion by CY 27, registering CAGR of approximately 2.8% during the forecasted period, as compared to 2.0% from CY 16 to CY 22.

DOMs LTD is the second fastest growing company in the stationery and associated material goods industry. It has grown rapidly since FY23, which bodes well for its future prospects. It is expanding to increase its product range and capacity in order to meet increased demand, taking into account all factors such as paper and stationery expansion, an increase in middle-aged population, and a developing economy. Based on FY24 results, the issue appears to be fully priced.

we propose a "**SUBSCRIBE**" rating for this IPO.

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