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## DOMS INDUSTRIES LIMITED



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

Our Company was originally incorporated as "Writeline 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 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 227 of the red herring prospectus dated December 02, 2023 ("RHP" or "Red Herring Prospectus") filed with the RoC.

**Registered Office:** 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:** Mitlesh Padia, Company Secretary and Compliance Officer, E-mail: [mitlesh@domsindia.com](mailto:mitlesh@domsindia.com); Corporate Identity Number: U36991GJ2006PLC049275

**PROMOTERS OF OUR COMPANY: SANTOSH RASIKAL 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 BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING 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

- 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.
- 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.
- 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.
- 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.

- 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.

- 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 disassociate from our Company in the future, which may have a material adverse effect on our business operations, research and development and export capabilities.
- 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.
- 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.
- 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.
- 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.

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