

IPO Details		Company Background					
<b>Opening Date</b>	Dec 13, 2023	<ul style="list-style-type: none"> <li>DOMS Industries Limited was incorporated in the year 2006 and has its registered office in Umbergaon, Gujarat.</li> <li>Company designs, develops, manufactures, and sells a wide range of stationery and art products, primarily under its flagship brand 'DOMS', in the domestic market as well as in over 45 countries internationally.</li> <li>The Company is 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.</li> <li>The company's keen focus is on research and development (R&amp;D), product engineering, and backwards integrated manufacturing, operations, combined with its multichannel pan-India distribution network has enabled it to achieve a strong brand recall amongst consumers.</li> <li>As of 30<sup>th</sup> September 23, the Company had 12,451 employees on its payroll.</li> </ul>					
<b>Closing Date</b>	Dec 15, 2023						
<b>Stock Exchange</b>	NSE, BSE						
<b>Lot Size</b>	18 Shares						
<b>Issue Price</b>	₹750 to ₹790 per share						
<b>Issue Size</b>	Aggregating up to 1,200 Cr.						
<b>Fresh Issue</b>	Aggregating up to 350 Cr.						
<b>Offer For Sale</b>	Aggregating up to 850 Cr.						
<b>Application Amount</b>	Min. Inv. - ₹ 14,220 (18 shares) Max. Inv. - ₹ 199,080 (252 shares)						
IPO Objective							
Proposing to part finance the cost of establishing a new manufacturing facility to expand its production capabilities for a wide range of writing instruments, water colour pens, markers and highlighters.							
General corporate purposes.							
Pre-Issue Shareholding			Market Capitalization (In Cr.)				
Category	No. of Shares	% of Total Shares	Pre-Issue	Post-Issue			
Promoter & Promoter Group	5,62,50,218	100.00%	₹ 4,444	₹ 4,794			
Public	-	-					
Promoter of the Company			Financial Summary (In Cr.)				
1. Santosh Rasiklal Raveshia.			For the Period Ended	Mar-21	Mar-22	Mar-23	Sep-23
2. Sanjay Mansukhlal Rajani.			<b>Total Assets</b>	457.52	497.46	639.78	829.46
3. Ketan Mansukhlal Rajani.			<b>Net Assets</b>	241.68	258.09	355.35	422.19
4. Chandni Vijay Somaiya.			<b>Total Borrowings</b>	97.27	84.90	100.07	176.38
5. F.I.L.A.- Fabbrica Italiana Lapis ed Affini S.p.A.			<b>Total Revenue</b>	408.79	686.22	1,216.52	764.22
Competitive Strengths			<b>Profit After Tax</b>	-6.03	17.14	102.87	73.99
1. Leadership position in the Indian 'stationery and art material' industry with the widest range of products, driving rapid business growth.			Tentative Timeline				
2. Robust manufacturing infrastructure, with a focus on backward integration to drive efficiencies.			<b>Opening Date</b>	Dec 13, 2023			
3. Robust multi-channel distribution network with strong pan India presence.			<b>Closing Date</b>	Dec 15, 2023			
4. Strategic partnership with F.I.L.A.- Fabbrica Italiana Lapis ed Affini S.p.A. enabling access to global markets and product know-how.			<b>Basis of Allotment</b>	Dec 18, 2023			
5. Experienced Promoters and management team.			<b>Initiation of Refunds</b>	Dec 19, 2023			
			<b>Credit of Shares to Demat</b>	Dec 19, 2023			
			<b>Listing Date</b>	Dec 20, 2023			

## Company Background and Analysis

DOMS Industries Limited was incorporated in 2006 and has vast experience in the industry it operates in. The company design, develops, manufactures, and sells a wide range of stationery and art products, primarily under its flagship brand 'DOMS', in the domestic market as well as in over 45 countries internationally, as of September 30, 2023. The company is 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. The company's keen focus is on research and development (R&D), product engineering, and backwards integrated manufacturing, operations, combined with a multichannel pan-India distribution network has enabled it to achieve a strong brand recall amongst consumers. The company's core products such as 'pencils' and 'mathematical instrument boxes' enjoy high market shares; 29% and 30% market share by value in Fiscal 2023 respectively.

The company offers well-designed and quality 'stationery and art material' products to consumers, which are classified across seven categories: (i) scholastic stationery; (ii) scholastic art material; (iii) paper stationery; (iv) kits and combos; (v) office supplies; (vi) hobby and craft; and (vii) fine art products.

The table below sets forth a break-up of the Gross Product Sales across the product categories for Fiscals 2021, 2022 and 2023 and the six months ended September 30, 2023:

(Rs. In Lacs)

Particulars	Mar-21		Mar-22		Mar-23		Sep-23	
	Amt	(%)	Amt	(%)	Amt	(%)	Amt	(%)
Scholastic stationery	191.00	46.24	326.98	47.18	568.81	46.18	354.36	45.62
Scholastic art material	97.52	23.61	166.37	24.00	292.80	23.77	202.99	26.13
Paper stationery	40.25	9.75	64.08	9.25	127.35	10.34	77.32	9.95
Kits and combos	46.50	11.26	79.69	11.50	126.38	10.26	67.26	8.66
Office supplies	24.56	5.95	40.31	5.82	75.25	6.11	48.81	6.28
Hobby and craft	0.37	0.09	0.65	0.09	15.73	1.28	11.26	1.45
Fine art products	5.81	1.41	9.62	1.39	14.17	1.15	8.32	1.07
Others	7.03	1.70	5.41	0.78	11.26	0.91	6.53	0.84
<b>Total</b>	<b>413.05</b>	<b>100.00</b>	<b>693.10</b>	<b>100.00</b>	<b>1,231.73</b>	<b>100.00</b>	<b>776.84</b>	<b>100.00</b>

As per the Technopak Report, the Company has the widest breadth of product categories amongst its peers in India and is amongst the few 'stationery and art material' products manufacturing and marketing companies globally with such a wide product breadth. Among other factors, its presence across multiple such categories and price points has enabled it 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.

The company undertakes manufacturing operations from facilities located in Umbergaon, Gujarat and Bari Brahma, in Jammu and Kashmir. As of September 30, 2023, the company has a widespread multi-channel distribution network with a strong pan-India presence and a global footprint catering to over 45 countries, covering the Americas, Africa, Asia Pacific, Europe, and the Middle East. In the domestic market, the company sells its products through (i) general trade; (ii) modern trade and e-commerce; and (iii) original equipment manufacturers (OEM) & institutions. The company's domestic distribution network for general trade comprises 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 company also caters to consumers through modern trade and e-commerce. The company's products are sold through a variety of modern trade platforms such as supermarkets, hypermarkets, minimarkets, and cash and carry stores. Further, its products are also available on multiple e-commerce platforms.

To conclude, the company has a leadership position in the Indian 'stationery and art material' industry with the widest range of products, driving rapid business growth and has a Robust multi-channel distribution network with a strong pan-India presence.

## **Business Strategies**

### **1. Expansion of manufacturing capacities -**

The company intends to streamline its operations and enhance the manufacturing capacity for writing instrument products by adding approximately 0.10 million square feet to the Umbergaon Manufacturing Facilities. The company continues to focus on further integrating its operations benefiting from economies of scale and improving operating margins.

### **2. Supplement the product portfolio to expand the addressable market size and capture higher consumer wallet share -**

The company continues to seek opportunities to introduce new products. The company seeks to leverage the market position, understanding of preferences and loyal customer base to enable them to develop quality products while ensuring that the brand remains distinctive and well-differentiated.

### **3. Strengthen the distribution network and expand the modern trade channels -**

The company intends to focus on expanding the modern trade distribution channel, by supplying products to large retailers and venturing into new geographies along with establishing associations with regional players.

### **4. Undertake inorganic growth through acquisitions or strategic partnerships -**

The company intends to continue to actively pursue strategic investments and acquisitions, which are complementary to the business. The company continues to seek and explore opportunities that complement and grow the product offerings as well as ancillary products in the categories associated with the growing years of kids, children and young adults.

### **5. Strengthening the 'DOMS' brands and enhancing synergies -**

The company intends to leverage the brand, quality, and pricing strategy to increase the market penetration to target children and young adults.

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

The company intends to continue to invest in the technology and data capabilities to drive business efficiencies, stay connected with the customers and strengthen cross-brand, and cross-functional synergies.

## **Competitive Scenario and Peer Mapping**

### **Competition**

The company operates in a competitive business environment and expects such competition to intensify both through the entry of new players and the consolidation of existing players. The company is also subject to competition on various factors including, but not limited to, targeted audience, quality, wide range and availability etc. Due to low entry barriers in terms of the quantum of investment required to enter the business, the industry in which the company operates is highly competitive. Since entry costs in this industry are relatively lower, there is also a large presence of unorganized market players. The bargaining power with the suppliers is moderate and the bargaining power with the customers is low in the sector in which the company operates in.

## Peer Analysis

The comparison of the key performance indicators of the listed peers as on Mar-23 is given below –

Particulars	DOMS Industries Limited	Kokuyo Camlin Limited	Linc Limited	Navneet Education Limited	Flair Writing Industries Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	8.49%	3.10%	7.60%	12.04%	12.53%
EBITDA Margin	15.40%	6.97%	12.73%	17.18%	19.53%
Return on Capital Employed	42.64%	13.65%	26.23%	19.53%	31.40%
Return on Equity	14.86%	9.13%	20.90%	17.74%	27.13%
EPS (INR)	18.29	2.44	25.15	9.04	12.66

The comparison of the key performance indicators of the listed peers as on Mar-22 is given below –

Particulars	DOMS Industries Limited	Kokuyo Camlin Limited	Linc Limited	Navneet Education Limited	Flair Writing Industries Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	2.51%	-0.98%	2.25%	6.65%	9.53%
EBITDA Margin	10.20%	3.35%	6.20%	8.45%	16.98%
Return on Capital Employed	19.93%	-0.40%	6.04%	4.49%	18.09%
Return on Equity	3.39%	-2.09%	5.59%	7.81%	17.35%
EPS (INR)	3.05	-0.47	5.47	3.34	23.62

The comparison of the key performance indicators of the listed peers as on Mar-21 is given below –

Particulars	DOMS Industries Limited	Kokuyo Camlin Limited	Linc Limited	Navneet Education Limited	Flair Writing Industries Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	-1.50%	-3.72%	1.11%	6.73%	0.34%
EBITDA Margin	7.45%	2.23%	10.50%	10.58%	7.72%
Return on Capital Employed	7.61%	-3.41%	8.00%	4.28%	0.25%
Return on Equity	-1.27%	-6.15%	21.26%	6.02%	0.38%
EPS (INR)	-1.07	-1.46	0.03	2.44	0.42

**Industry Overview**

Exhibit 1: Indian Stationery Export (USD million) (FY).

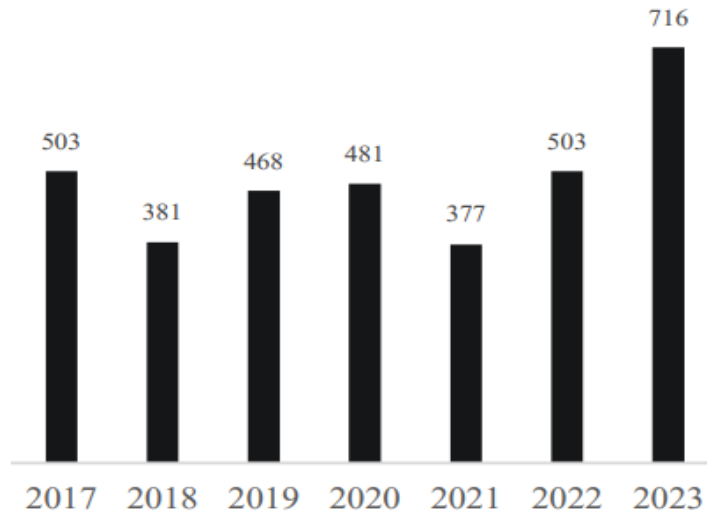


Exhibit 2: Sale of Stationery and Art Materials Products across retail channel in FY 23.

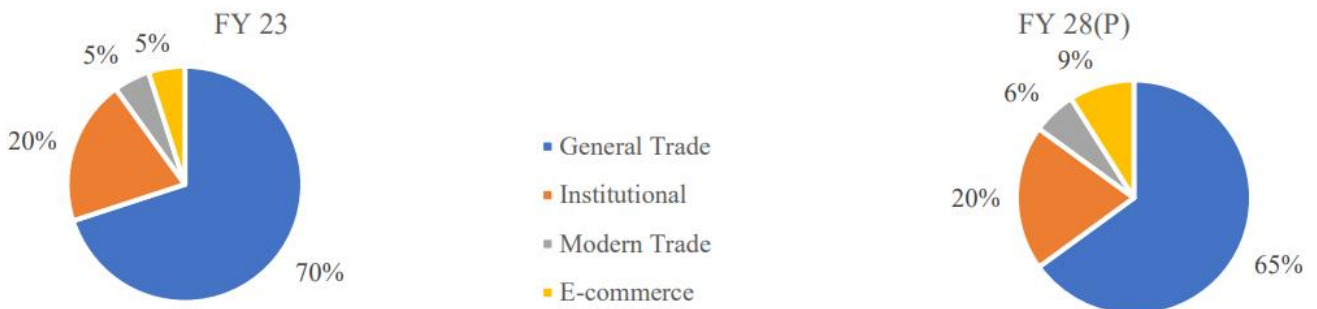
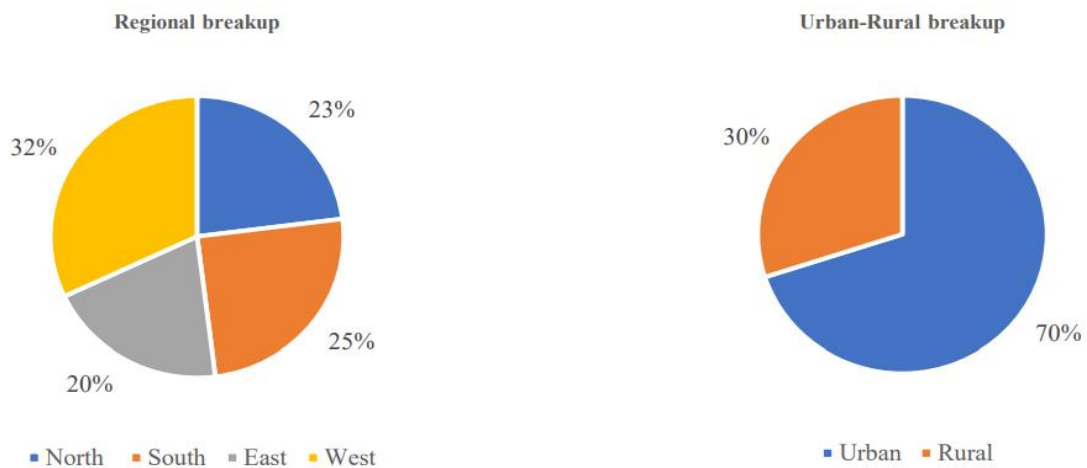


Exhibit 3: Regional and Urban-Rural Breakup of the Stationery and Art Materials Market in India in FY 23.



(Source: Prospectus)

### **Global Stationery and Art Materials Market -**

The stationery and art materials industry deals in a wide range of products & categories, comprising paper products, writing instruments, computer stationery, school stationery, office stationery, stationery adhesives and art & craft products among others.

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.

Over the past years, the stationery & art materials market has been shifting towards Asian countries. The region is expected to have the largest contribution to the global stationery and art materials industry by CY 27. Countries like China, Japan, India, South Korea etc. are emerging as key players in the stationery and art materials market in Asia, with a large number of manufacturers, exporters, and suppliers in the region, expecting to contribute over 50% of the global stationery and art materials market by CY 27. This trend is largely due to the rise of Asia as a major economic powerhouse and the growing demand for affordable and high-quality stationery products.

### **Indian Stationery and Art Materials Market -**

The Indian stationery and art materials market has exhibited continuous growth over the years. It has an estimated size of INR 38,500 crore by value as of FY 23. However, the market witnessed a substantial sales dip in FY 21 due to Covid, during which schools, colleges were closed and had shifted to online mode of education and offices also went into work from home mode.

The market bounced back with 35% growth in FY 22 due to revival in demand post reopening of schools, colleges, and resumption of work from office. The Indian stationery and art materials market is expected to grow at a CAGR of ~13% during FY 23-28 period to reach a market value of INR 71,600 crore by FY 28.

The 'stationery and art material' market in India has untapped potential in multiple categories with a limited presence of branded players. The market is gradually shifting towards branded play, because of shift in consumer preference towards premium and innovative products, GST implementation, branded players undertaking various brand building initiatives and economies of pan-India distribution network by branded players. Export of Stationery and Art Materials Market Size in India

The exports of Indian stationery and art materials were valued at ~INR 5,732 crore in FY 23. Registers, notebooks, letter pads etc. and Pen and related items, constituted ~36% and ~34% respectively of the Indian stationery exports market. Painting and related items, Pencil and related items and Papers constituted ~15%, ~7% and ~5% respectively of the Indian stationery exports market. As of FY 23, India majorly exports to USA constituting ~28% of exports, followed by UK constituting ~7%. The Indian stationery and art materials exports market is expected to grow at a CAGR of ~6% during FY 23-28 period to reach a market value of INR 7,500 crore by FY 28

(Source: Prospectus)

## Key Managerial Personnel

**Gianmatteo Terruzzi**, aged 51 years, is the Chairman and Independent Director of the Company. He holds a degree in Economics and Business and is registered as a fiduciary in the Register of Fiduciaries, Republic and Canton of Ticino. He was previously associated with LVT Advisors S.R.L. as its sole director.

**Santosh Rasiklal Raveshia**, aged 47 years, is one of the Promoters, and Managing Director of the Company. He has been associated with the Company since its incorporation. He has passed the Higher Secondary Education. He is primarily involved in all aspects of the business of the Company, including new product development, crafting, and executing go-to-market strategies.

**Sanjay Mansukhlal Rajani**, aged 54 years, is one of the Promoters, and Whole-Time Director of the Company. He was sent up for the S.S.C. Exam. He joined R. R. Industries in 1985 and has been its partner since 2011. He is primarily involved in the production and product development of scholastic art and fine art materials in the Company.

**Ketan Mansukhlal Rajani**, aged 52 years, is one of the Promoters and Whole Time Director of the Company. He passed the Higher Secondary Education. He joined R. R. Industries in 2003. He is also responsible for overlooking the manufacturing operations of the Jammu manufacturing facility as well as the wood seasoning and treatment operations of the Company.

**Chandni Vijay Somaiya**, aged 50 years, is one of the Promoters and Whole Time Director of the Company. She passed the Higher Secondary Education. She joined S-Tech Industries as a partner in 2004. She is primarily involved in the manufacturing operations of the scholastic stationery division and general administrative operations at the Umbergaon Manufacturing Facilities.

**Massimo Candela**, aged 58 years, is a Non-Executive Director of the Company. He holds a degree in Business Administration with a major in corporate finance. He has been associated with FILA since 1992 as chief executive officer.

**Luca Pelosin**, aged 57 years, is a Non-Executive Director of the Company. He is a Graduate. He was previously associated with Nuova Alpa Collanti S.r.l. as a special attorney. He has significant years of experience in accounting, production, purchasing, logistics and business management.

**Annalisa Matilde Elena Barbera**, aged 54 years, is a Non-Executive Director of the Company. She holds a law degree and is enrolled in the Register of Lawyers of Milan. She is currently associated with Studio Legale Salonia e Associati as a partner. She has significant years of experience in the areas of labour and commercial law as well as employment law and employment-related litigation.

**Cristian Nicoletti**, aged 48 years, is a Non-Executive Director of the Company. He holds a degree in Economics and Business (New System). He is currently associated with FILA as its chief financial officer.

**Rajiv Ishwarbhai Mistry**, aged 54 years, is the Independent Director of the Company. He has been awarded a diploma in electronics and telecommunication engineering and holds an honorary doctorate in the healthcare industry. He is the founder and chairman of Ascent Meditech Limited.

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**Mehul Shah**, aged 47 years, is the Independent Director of the Company. He holds a bachelor's degree in social, and legal sciences, and a bachelor's degree in law. He specialises in mergers and acquisitions, solvent and insolvent restructurings including court-approved mergers and amalgamations, insolvency restructuring, private equity, joint ventures, and collaborations.

**Darshika Thacker**, aged 48 years, is the Independent Director of the Company. She holds a bachelor's degree in commerce and is a fellow member of the Institute of Chartered Accountants in India. She is currently associated with Thacker & Associates as a partner.

To Conclude, the company has one corporate promoter and 4 Individual promoters, and they have vast experience by looking at their service and incorporation dates in the fields directly linked to the operations and in the fields which help in the growth of the company. The Remaining Directors of the company have good knowledge and experience in their respective fields which helps in the overall growth of the company.



**Financial Snapshot**

<b>Profit and Loss Statement</b>				<b>(In Cr.)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
Revenue from Operations	402.82	683.60	1,211.89	761.80
Other Income	5.97	2.62	4.63	2.42
<b>Total Income</b>	<b>408.79</b>	<b>686.22</b>	<b>1,216.52</b>	<b>764.22</b>
<b>Expenses</b>				
Cost of Materials Consumed	232.15	425.14	742.74	433.83
Purchase of Stock-In-Trade	11.56	13.72	26.11	34.41
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	1.64	-6.78	-5.48	-9.32
Employee benefits expense	71.06	101.41	141.80	102.53
Finance Costs	8.81	10.30	11.88	7.85
Depreciation and Amortization expense	34.77	38.01	40.65	22.79
Other expenses	56.38	80.40	120.07	72.91
<b>Total Expenses</b>	<b>416.37</b>	<b>662.20</b>	<b>1,077.76</b>	<b>664.98</b>
<b>Earnings Before Interest, Taxes, Depreciation &amp; Amortization</b>	<b>30.03</b>	<b>69.71</b>	<b>186.66</b>	<b>127.45</b>
<b>EBITDA Margin</b>	<b>7%</b>	<b>10%</b>	<b>15%</b>	<b>17%</b>
<b>Profit/(Loss) before tax</b>	<b>-7.58</b>	<b>24.02</b>	<b>138.76</b>	<b>99.23</b>
Tax Expense				
Current Tax	2.43	7.54	37.85	26.67
Deferred Tax	-3.99	-0.65	-1.96	-1.43
Total Tax Expense	-1.55	6.88	35.89	25.24
<b>Profit/(Loss) for the year</b>	<b>-6.03</b>	<b>17.14</b>	<b>102.87</b>	<b>73.99</b>
Net Profit Margin	-1%	2%	8%	10%

<b>Balance Sheet</b>				<b>(In Cr.)</b>
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	186.85	186.13	279.89	346.64
Capital work-in-progress	3.05	4.01	6.89	2.27
Right of Use Assets	37.94	38.20	38.16	47.54
Goodwill	3.35	2.01	2.01	62.37
Other Intangible Assets	0.51	0.24	0.15	0.10
Financial Assets				
(i) Investments	-	-	1.50	1.41
(ii) Other Financial Assets	11.40	10.63	10.92	15.73
Deferred tax asset (Net)	0.30	1.20	3.17	5.12
Other Tax Assets (Net)	1.01	1.06	0.30	1.05
Other Non-Current Assets	5.75	9.35	17.44	20.43
<b>Total Non-Current assets</b>	<b>250.16</b>	<b>252.83</b>	<b>360.43</b>	<b>502.67</b>
<b>Current Assets</b>				
Inventories	120.78	159.19	184.64	198.64
Financial Assets				
(i) Investments	-	-	-	-
(ii) Trade Receivables	41.92	49.16	35.64	49.71
(iii) Cash and Cash Equivalents	22.67	9.30	34.25	48.23
(iv) Other Bank Balances	6.34	6.47	7.45	1.64
(v) Loans	0.49	0.59	0.81	0.79

Other current assets	15.16	19.93	16.56	27.77
<b>Total Current assets</b>	<b>207.36</b>	<b>244.64</b>	<b>279.35</b>	<b>326.79</b>
<b>Total Assets</b>	<b>457.52</b>	<b>497.46</b>	<b>639.78</b>	<b>829.46</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	0.37	0.37	0.37	56.25
Other Equity	233.24	246.87	337.06	341.36
<b>Total equity attributable to equity holders of the company</b>	<b>233.61</b>	<b>247.25</b>	<b>337.43</b>	<b>397.61</b>
Non-controlling interests (NCI)	8.07	10.85	17.91	24.58
<b>Total Equity</b>	<b>241.68</b>	<b>258.09</b>	<b>355.35</b>	<b>422.19</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings	2.90	2.85	15.16	85.57
(ii) Lease liabilities	28.32	29.36	30.26	36.46
Long term provisions	5.96	7.82	9.13	11.98
other non- current liabilities	-	-	-	-
<b>Total Non-current liabilities</b>	<b>37.18</b>	<b>40.03</b>	<b>54.54</b>	<b>134.01</b>
<b>Current liabilities</b>				
Financial Liabilities				
(i) Borrowings	94.38	82.05	84.91	90.81
(ii) Lease liabilities	8.07	8.67	9.48	11.57
(iii) Trade Payables				
total outstanding dues of micro enterprises and small enterprises	3.40	4.52	5.06	5.58
total outstanding dues of creditors other than micro enterprises and small enterprises	53.42	76.61	81.92	88.89
(iv) Other Financial Liabilities	13.14	13.10	17.52	30.21
Other current liabilities	4.80	7.75	20.01	23.13
Short-Term Provisions	1.05	1.86	3.59	7.68
Liabilities for current tax (Net)	0.42	4.78	7.40	15.38
<b>Total Current liabilities</b>	<b>178.67</b>	<b>199.33</b>	<b>229.90</b>	<b>273.26</b>
<b>Total Liabilities</b>	<b>215.85</b>	<b>239.37</b>	<b>284.44</b>	<b>407.27</b>
<b>Total Equity and Liabilities</b>	<b>457.52</b>	<b>497.46</b>	<b>639.78</b>	<b>829.46</b>

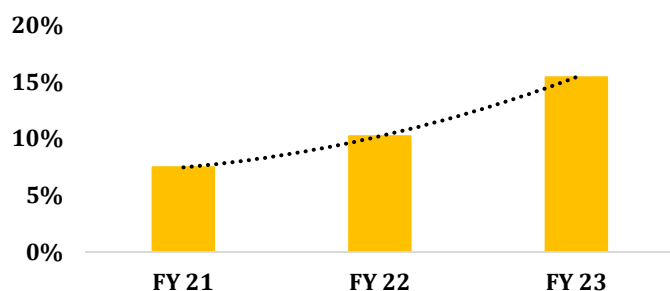
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23</b>
Net Cash Flow from Operating Activities	15.21	50.94	173.26	108.12
Net Cash Flow from Investing Activities	-18.75	-33.73	-135.93	-128.34
Net Cash Flow from Financing Activities	24.93	-30.59	-12.37	34.20

<b>Ratio Sheet</b>				
<b>Particulars</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 23</b>	<b>Sep-23*</b>
<b>Per Share Data</b>				
Diluted EPS	-1.07	3.05	18.29	24.47
BV per share	38.50	40.75	55.61	147.67
<b>Operating Ratios</b>				
EBITDA Margins	7%	10%	15%	17%
PAT Margins	-1%	2%	8%	10%
Inventory days	109.44	85.00	55.61	47.72
Debtor days	37.99	26.25	10.73	11.94
Creditor days	86.99	62.94	40.25	37.09
<b>Return Ratios</b>				
RoCE	-2%	11%	36%	22%
RoE	-2%	7%	29%	20%
<b>Valuation Ratios (x)</b>				
EV/EBITDA	10.27	4.63	2.16	3.92
Market Cap / Sales	11.90	7.01	3.96	3.15
P/E	-738.32	259.02	43.19	32.29
Price to Book Value	20.52	19.39	14.21	5.35
<b>Solvency Ratios</b>				
Debt / Equity	0.39	0.32	0.24	0.17
Current Ratio	1.16	1.23	1.22	1.20
Quick Ratio	0.48	0.43	0.41	0.47
Asset Turnover	0.88	1.37	1.89	0.92
Interest Coverage Ratio	-0.54	3.08	12.29	13.34

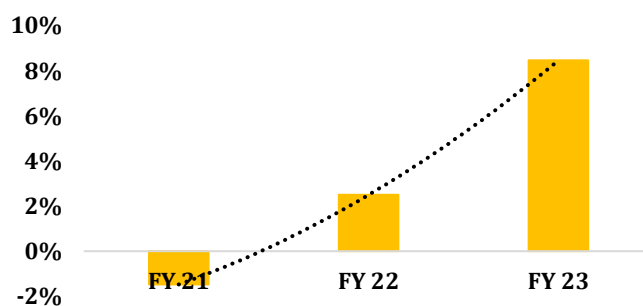
\*Annualized Figures

## Financial Charts

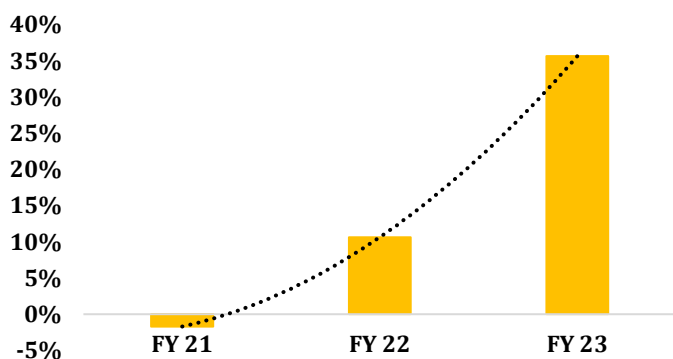
**EBITDA Margin**



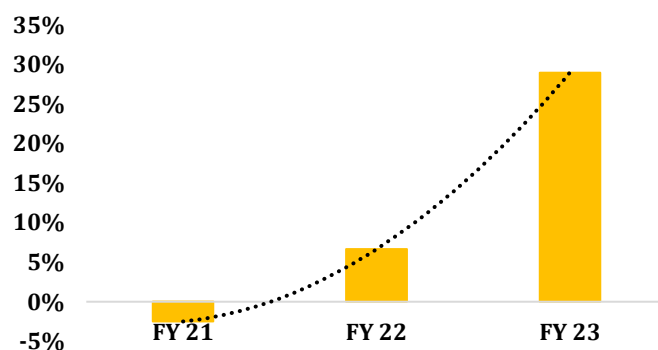
**Net Profit Margin**



**Return On Capital Employed**



**Return on Equity**



### Key Risk Factors

1. The company has an outstanding civil litigation amounting to Rs. 5 lakhs by one of the listed peers “Camlin”. Any adverse decision in this proceeding could impact the reputation, business and financial condition.
2. The company has incurred loss in the past specifically for the FY ended 2021.

### Track Record of Lead Manager

The lead manager to the issue is JM Financial Limited, BNP Paribas, ICICI Securities Limited, and IIFL Securities Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

#### JM Financial Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Fedbank Financial Services Limited	10,92.26	140.00	November 30, 2023	137.00
2.	Tata Technologies Limited	30,42.51	500.00	November 30, 2023	1,193.00
3.	ASK Automotive Limited	8,33.91	282.00	November 15, 2023	277.00
4.	Honasa Consumer Limited	17,01.44	324.00	November 7, 2023	400.00
5.	Cello World Limited	19,00.00	648.00	November 6, 2023	813.00

The company has handled 31 mandates in the past three years (including the current year)

#### BNP Paribas -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Fedbank Financial Services Limited	10,92.26	140.00	November 30, 2023	137.00
2.	TVS Supply Chain Solutions Limited	8,80.00	197	August 23, 2023	207.00
3.	Adani Wilmar Limited	36,00.00	230.00	February 08, 2022	378.00
4.	Anand Rathi Wealth Limited	6,59.37	550.00	December 14, 2021	2,495.00

The company has handled 4 mandates in the past three years (including the current year)

#### ICICI Securities Limited -

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Fedbank Financial Services Limited	10,92.26	140.00	November 30, 2023	137.00
2.	Gandhar Oil Refinery (India) Limited	5,00.69	169.00	November 30, 2023	272.00
3.	ASK Automotive Limited	8,33.91	282.00	November 15, 2023	277.00
4.	Protean eGov Technologies Limited	4,89.20	792.00	November 13, 2023	1,157.00
5.	ESAF Small Finance Bank Limited	4,63.00	60.00	November 10, 2023	67.7

The company has handled 48 mandates in the past three years (including the current year)

**IIFL Securities Limited -**

<b>Sr. No.</b>	<b>Company Name</b>	<b>Issue Size in Cr.</b>	<b>Issue Price/Share (In INR)</b>	<b>Listing Date</b>	<b>CMP* (INR)</b>
1.	ASK Automotive Limited	8,33.91	282.00	November 15, 2023	277.00
2.	Protean eGov Technologies Limited	4,89.20	792.00	November 13, 2023	1,157.00
3.	Cello World Limited	19,00.00	648.00	November 6, 2023	813.00
4.	Updater Services Limited	6,40.00	300.00	October 4, 2023	267.00
5.	Yatra Online Limited	7,75.00	142.00	September 28, 2023	131.00

The company has handled 31 mandates in the past three years (including the current year)

\*CMP for the above-mentioned companies is taken as of 9<sup>th</sup> December 2023.

As per the offer document, from the above-mentioned mandates Fedbank Financial Services Limited, Updater Services Limited, Yatra Online Limited and Adani Wilmar Limited has opened at discount, and Protean eGov Technologies Limited has opened at par, and the remaining mandates have opened at premiums on the listing day.

## Recommendation

The company has been in the industry since 2006 and thus has vast experience in the industry. The company has seen a consistency in the increase of its revenue but has had a loss for FY 2021. The margins have seen a sudden surge during the FY 2023.

The management outlook of the company is good, and the proper bifurcation of the roles and responsibilities of its top management is given.

The P/E on a post-IPO basis is around 32.29 times which makes it slightly highly priced by looking at the performance of the company and its peers. The Sector P/E is 28.6 times.

The company operates in a very competitive industry. The company has a leadership position in the Indian Stationery and Art Material Industry with a huge footprint. The company also has partnership with FILA which is letting the company access the global markets. The company has several strategies planned to include expansion through inorganic growth which will yield good returns in the future. The company also has good financial outlook. Thus, we believe one can **APPLY** for this IPO.



## **Disclaimer**

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