

Ref No. DIL/SE/24-25/52

Date: September 23, 2024

To,

The Manager
Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East),
Mumbai - 400 051

BSE Symbol - DOMS
BSE Scrip Code - 544045

NSE Symbol - DOMS

Subject: Managing Director's Speech Delivered at the 18th Annual General Meeting of the Company

Dear Sir/ Madam,

We wish to inform that the 18th Annual General Meeting of DOMS Industries Limited ('the Company') was held today i.e. Monday, September 23, 2024, through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM').

Mr. Santosh Raveshia, Managing Director addressed the shareholders of the Company. The same is enclosed with this letter and has also been uploaded on the Company's website at www.domsindia.com.

The above is for your kind information and record.

Thanking you,
Yours faithfully,
For DOMS Industries limited

Mitesh Padia
Company Secretary and Compliance Officer
Membership No.: A58693

Encl.: As above

Registered Office:

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Dist. Valsad, Gujarat, India.

Website:

www.domsindia.com

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Namaste!

Dear Shareholders, Good Afternoon!

It's my privilege to address all of you today at the 18th Annual General Meeting of our Company - DOMS Industries Limited and the first AGM post listing on the stock exchanges.

Before we begin, let us extend our deepest gratitude to the visionary leadership and passion of the founders of our Company - Late Shri. Rasiklal Raveshia and Late Shri. Mansukhlal Rajani, whose pioneering spirit has shaped our Company into the thriving organisation it is today.

Further, let us also take a moment to honour the memory of Late Shri. Amarjeet Sharma, who left for heavenly abode on March 17, 2024. Mr. Sharma, was a remarkable leader, who with his dedication and commitment, played an instrumental role in shaping the DOMS success story. I on behalf of the Board of Directors and on behalf of all of you place on record my sincere acknowledgement and appreciation for his immense and valuable contribution to the success of our Company.

Our listing on the exchanges in the last Financial Year was one of the significant milestones for DOMS. We are deeply grateful to our shareholders and investors for their invaluable trust and support. This milestone marks the commencement of a new chapter in our journey. We are excited about the promising opportunities that lie ahead and aim to live up to the best of your expectations.

Today, our Company manufactures and markets well-designed, quality stationery and art products, categorised primarily into seven categories that include (i) scholastic stationery, (ii) scholastic art material, (iii) paper stationery, (iv) kits & combos, (v) office supplies (including writing instruments), (vi) hobby & craft and (vii) fine art products. Our Company's keen focus on research and development, product designing and product engineering has allowed us to introduce a wide variety of stationery and art material products for school and office use as well as for craft enthusiasts and art lovers. Our products are known for its superior design, improved usability and better performance, while maintaining affordability.

During the past year, we have continued to enter new product categories as well as introduce new products in our existing categories. Our recent foray into ballpoint pens and scholastic adhesives was a step in this direction. We are also expanding our presence in the fine-arts segment. These recent launches are manufactured at our production facilities in Umbergaon, Gujarat, and I am pleased to share that we have received very encouraging response from our consumers.

Manufacturing is one of our key strengths. Over the years, the Company has prioritised the investment in capacity additions and infrastructure modernisation that has allowed it to remain ahead of the curve and exceed consumer expectations. Further, our endeavour to strengthen our backward integration capabilities has enabled us to improve efficiency, ensure quality control, reduce dependency on third parties and enhance profitability. The focus now is on adding new capacities in a phased manner.

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INDUSTRIES LIMITED
(Formerly known as DOMS INDUSTRIES PVT. LTD.)

Our channel partners have been one of the strongest pillars of our growth. Our multi-channel distribution network which is spread across India through the strong network of super stockists, distributors and the retail stores as well as globally, in across 50+ countries, has ensured that our products are presented in the best possible way to our consumers worldwide. Leveraging our network strength, embracing new channels and following a technology and data-driven approach we look forward to further strengthen our network in India as well as globally.

DOMS, our flagship brand has created echoes of optimistic and progressive thoughts and encouraged students, hobby enthusiasts and professionals to discover their talents and go beyond their limits. At the same time, our brand promise, 'Every Ambition Needs Preparation' has encouraged our consumers to believe that they need to prepare today for whatever they wish to be in the future. Our other brands, C3, Amariz, FixyFix have also helped us to strengthen our foothold in the stationery and art material segments.

The driving force for DOMS is it's consumers. They inspire and motivate each one of us to develop, manufacture and deliver innovative solutions that have a positive impact in the everyday lives of our consumers. We shall continue to work towards strengthening our relationships with our consumers. Our launch of the DOMS Art League, encourages children to engage in art contests, aligning perfectly with our endeavours to foster a lifelong love for art among children. Further, the recent inauguration of our DOMS Painting Studio at KidZania in R-City mall, Mumbai, offers an exciting avenue for children to experience our entire product range and explore their artistic expertise in an interactive manner.

For us, our people are our family. We deeply value their contributions and acknowledge their role in our journey. I take this opportunity to recognize the enthusiasm and dedication of our team whose continued support has ensured sustainable growth of our Company.

Our Company is committed to making a positive impact on the communities we serve and minimising our environmental impact while maintaining regulatory compliance. Our Corporate Social Responsibility initiatives are designed to support the well-being and development of underprivileged groups. We are in the process of making significant contributions towards constructing a state-of-the-art hospital in Umbergaon, which will offer comprehensive medical services and support community health. Additionally, we provide educational scholarships for economically disadvantaged students, enabling them to pursue their academic goals and achieve self-sufficiency. Through these initiatives, we aim to contribute meaningfully to societal development and enhance the quality of life for those in need.

With respect to our financial performance during the Financial Year 2024, we have achieved an operational revenue of approximately ₹ 15371 million, a growth of 26.8%, compared to the previous year. This growth is attributed to volume increase on account of addition in capacities of some of our key products like wooden pencils, mathematical boxes and water colour pens. Further, our recent foray into the ball point pen segment has also resulted to growth in revenues. On a segmental front, scholastic stationery contributed to 44% of our revenues, scholastic art 27%, kits & combination packs 10%, Paper Stationery 9%, Office supplies 7% and 1% each coming from hobby craft and fine art products. 83% of our revenues came from the domestic market while exports contributed to the balance 17%. The growth in

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CIN: L36991GJ2006PLC049275

revenues in the domestic market is reflective of the growing acceptance and expanding reach of the DOMS brand. During the Financial Year 2024, our EBITDA margin has increased to 17.7% as compared to 15.4% in Financial year 2023. This represents a growth of 46.1% to ₹ 2727 million in Financial Year 2024. This margin expansion was on account of lower material costs, due to fall in some of the raw material prices coupled with efficiencies playing out on account of scale and size of operations. As a result of all of this, our Profit after Tax for Financial Year 2024 grew by 55.2% to approximately ₹ 1597 million as compared to ₹ 1029 million in Financial Year 2023. In terms of margin, PAT margin for Financial Year 2024 was 10.4% as compared to 8.5% in Financial Year 2023.

Speaking about the Way Forward. . .

India, with its demographic advantage and on the back of proactive decision making, has emerged as the most attractive consumption destination, providing a huge growth opportunity to be addressed. Notwithstanding macro headwinds in terms of high inflation and supply chain constraints, we at DOMS have always aimed to set the company on the course of a sustained high growth trajectory with a mix of judicious and bold moves.

Currently, we are focussing on increasing our production capacities. During the last quarter, we added capacity of 1 million pens per day resulting in now our total installed pen capacity increasing to 3 million pens per day. Further, we gearing up to expand our capacity for wooden pencils, where we expect our capacity to grow by almost 40%. The commercial production from this capacity addition is expected to begin towards the end of the current financial year.

Further, I am pleased to inform you all that the construction work at our 44+ acre land has commenced from April 2024 and is currently going on in full swing. The total construction potential at this facility is between 1.8 million square feet and 2 million square feet which we shall be completing in three phases. In phase 1 we shall be constructing 600,000 square feet of built up area. This will pave the way for significant capacity additions for the coming years, especially for writing instruments, markers, highlighters, water colour pens and art material products. This expansion shall be funded through the proceeds raised from the Initial Public Offer and our internal accruals.

We are now also looking at entering product categories which shall help us increase our addressable target market size and at the same time continue our association with kids & young adults through their growing years. In the beginning of the current financial year, we acquired 51% stake in Skido Industries Private Limited that has helped us enter into the exciting back-to-school segment. Skido is focussed on manufacturing of backpacks, primarily for school students and young adults. We are currently in the process of introducing an entire range of school bags branded under our flagship brand 'DOMS'. Additionally, Skido also manufactures and supplies bags to DOMS which are used for our kits and combination packs. Thus, this partnership not only complements our existing portfolio and distribution network, but also increases our backward integration capabilities.

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Our recently announced acquisition of majority stake in Uniclan Healthcare Private Limited, a baby diaper and baby wipes manufacturing and marketing company, in our view is an exciting opportunity for long term growth. Firstly, this partnership shall allow us to scale up our addressable market. Diaper is an approximately USD 2 billion market in India and expected to grow at a high rate of 16% in next few years. Initially, we shall focus on expanding the distribution network of Uniclan by leveraging our relationships with our channel and distribution network to create a network within the general merchant network. In the long run, DOMS shall be able to leverage this parallel network to expand the distribution coverage for its current core categories in the same general merchant network.

The business world is changing rapidly and so are consumer demands and preferences. It is no more enough to meet consumer demands, the time is to develop products, the consumers will demand. DOMS is responding to this change by increasing its speed and vigour to leverage the best from technology, research and development, innovation and its manufacturing capabilities. We are optimistic about the future prospects of DOMS and remain focused to deliver on our growth agenda. At the same time, we shall continue to preserve our financial strength and be prudent with our capital allocation plans.

I look forward to your continued support in this pursuit.

As every ambition needs preparation, we are now preparing to scale new heights of growth and value creation.

Thank you everyone.

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