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

Ref. No. DOMS/SE/25-26/88
Date: February 05, 2026

To,

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

BSE Symbol - DOMS
BSE Scrip Code - 544045

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

NSE Symbol - DOMS

Subject: Transcript of the Investor Conference Call on the Unaudited (Standalone and Consolidated) Financial Results for the quarter and nine months ended December 31, 2025

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Part A of Schedule III and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (**'SEBI LODR Regulations'**) please find enclosed the transcript of the Investor Conference Call on the Unaudited (Standalone and Consolidated) Financial Results for the quarter and nine months ended December 31, 2025, held on Monday, February 02, 2026, at 16:30 hours.

The transcript of Investor Conference Call has also been uploaded on the website of the Company and can be accessed through the following link:

https://domsindia.com/pdf//Investor_Relations/Investor_Presentation_and_Transcripts/Q3_FY26.pdf

This is for your information and records.

Thanking you,
Yours faithfully,
For DOMS Industries Limited

Mitesh Ashok Padia
Digitally signed by Mitesh Ashok Padia
Date: 2026.02.05 19:11:35 +05'30'

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

Encl.: As above

"DOMS Industries Limited

Q3 FY'26 Earnings Conference Call"

February 02, 2026

Disclaimer: E&OE - Please note that some portion of the concall may have an audio spoken in language other than English which has been translated in English language in this transcript primarily for ease of reading. This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the Company's website will prevail.

MANAGEMENT: **MR. RAHUL SHAH – CHIEF FINANCIAL OFFICER – DOMS INDUSTRIES LIMITED**

MODERATOR: **MR. ANIRUDDHA JOSHI – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to DOMS Industries Q3 FY'26 Earnings Conference Call, hosted by ICICI Securities Limited.

Before we begin, a brief disclaimer. The presentation, which DOMS Industries Limited has uploaded on the stock exchange and their website and the discussion during the call, contains or may contain certain forward-looking statements concerning DOMS Industries Limited business prospects and profitability, which are subject to several risks and uncertainties and the actual results could materially differ from those in such forward-looking statements.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aniruddha Joshi from ICICI Securities. Thank you, and over to you.

Aniruddha Joshi: Yes. Thanks, Iqra. On behalf of ICICI Securities, we welcome you all to Q3 and 9 months FY '26 results conference call of DOMS Industries Limited. We have with us today senior management represented by Mr. Rahul Shah, Chief Financial Officer.

Now I hand over the call to Rahul bhai for his initial comments on the quarterly as well as 9 months performance, and then we will open the floor for a question-and-answer session. Thanks, and over to you, Rahul bhai.

Rahul Shah: Thank you, Aniruddha bhai. Good evening, and a very warm welcome to everyone to the conference call for Q3 and 9 months FY'26. Joining me on this call is the team from Marathon Capital, our Investor Relations advisor. I hope everyone had an opportunity to go through the investor presentation and the results release that have been uploaded on the exchanges and our company's website.

To begin with, let me take you through the highlights for Q3 and 9 months performance. Our Q3 results showcased the strength of our balanced growth strategy, systematic execution and innovation-driven new product launches, demonstrating our focus on strengthening our market presence. On a year-on-year basis, we delivered a consolidated sales growth of 18.2%, driven by strong performances in our core categories.

Our 9-month consolidated growth of 22.7% positions us to close the fiscal year at the upper end of a guided range of 18% to 20%. This performance reflects the resilience of our team with disciplined approach towards implementation of our strategic priorities.

Operationally, we continue to leverage our comprehensive product range which remains a key driver for our performance. Quarterly growth was led by growth in categories across office supplies as we continue to see positive results on the back of enhanced capacities and positive market reception of products.

Kits & Combos and Hobby & Craft categories saw robust demand growth driven by new attractive and utility-focused product launches, scholastic art material backed by addition in existing infrastructure with modernization of some of our processes, fostering operational efficiency. Our baby hygiene business also saw a significant uptake fueled by winter demand for diapers and enhanced capacity as compared to last year.

Geographically, our revenue growth continues to be anchored by strong domestic demand, which has grown to represent more than 85% of overall sales. On the export front, despite headwinds in the U.S. market due to higher tariffs, we are pleased to report a double-digit growth of more than 15% over the 9-month period.

This was driven by strong demand for DOMS branded products across key categories like Nepal, Sri Lanka, Middle East and few African countries where we are present. Additionally, our distribution agreement with FILA has yielded positive results with initiation of exports of DOMS' branded stationery products to countries like Chile, Mexico, Canada, Europe, Turkey, South Africa and Australia. These initiatives and results clearly showcase our ability to navigate challenges and capitalize on opportunities in diverse markets.

We are committed to expanding our product suites to meet the evolving needs of our growing consumer base. The quarter saw new product launches like acrylic markers and SKU additions in sketch pens, mechanical pencils, pens, gift sets, attractive kits across various categories. Further, I am pleased to share that we have recently commenced manufacturing and supply of vibrant metal pencil boxes designed specifically for kids. Complemented by a newly designed range of school bags and paper stationery, we are well positioned to capitalize on the upcoming back-to-school season.

We have recently approved the formation of a 50-50 JV with Seven SpA, a FILA Group company. The primary objective of the JV would be to manufacture and supply backpacks, bags and pencil cases targeting the premium segment. The partnership combines FILA's global reach, presence, product designing and know-how and DOMS' manufacturing and execution capabilities. The formation of this JV is expected to be completed by end of Q1 FY '27, and we believe that the JV will likely add new growth initiatives for the company in the future.

On the marketing front, we are strengthening our connection with audiences through innovative online and offline initiatives. Our social media community has grown significantly with over 3.8 million YouTube subscribers and 170,000-plus Instagram followers, making DOMS a top admired brand in stationery and art materials.

Our success wouldn't have been possible without the continuous efforts of our people who have been one of our strongest pillars for the growth. As a recognition of their ongoing contribution, we recently granted additional 137,690 ESOPs to the members of the DOMS family.

Coming to our expansion initiatives. During the quarter, we were able to enhance capacities across our core categories like scholastic stationery, scholastic Art and office supplies within our existing infrastructure, catering to the continued demand. Additionally, our 44-acre project remains a key focus area with ongoing capex investments, which will enable us to meet growing product demand. We are progressing steadily on the project, albeit with a slight construction delay on account of prolonged and unseasonal monsoon during the last calendar year. We expect to start the commercial production from the first building during Q2 FY'27. This capacity expansion, along with other ongoing brownfield initiatives has been strategically planned and hence the delay should not materially impact our plans and other ongoing brownfield expansion initiatives should be able to support our growth strategy till that time.

Now coming to the details of our financial performance. Consolidated operating revenues for Q3 FY'26 stood at INR592.2 crores, a growth of 18.2% compared to the same quarter last financial year. This increase in sales was predominantly on account of healthy performance in domestic market, recording a 19.4% growth in gross product sales year-on-year during the quarter.

During the quarter under consideration, input costs for most goods had remained constant or were lower, especially for key raw materials like polymers, waxes, etc., providing a positive impact to our margins. However, with prices now trending upwards, we expect a neutral impact on our full year results. The consolidated EBITDA for Q3 FY'26 grew by 17.7% surpassing the INR100 crores mark and stood at INR103.4 crores as compared to INR87.9 crores in Q3 FY'25. The EBITDA margin for the quarter stood at 17.5% at the upper end of our guided range of 16.5% to 17.5%.

The profit after tax for the quarter stood at INR61.4 crores with a growth of 13.1% over the same period in the previous financial year and the PAT margin for the quarter stood at 10.4%. During the quarter, PAT moderated slightly primarily on account of reduction in other income due to utilization of IPO proceeds towards capex, which during the earlier period were passed in fixed deposits. However, the overall profitability remained within our guidance range as our core business continue to demonstrate volume growth backed by stable margins, underscoring the robustness of our portfolio and the effectiveness of our disciplined execution framework.

On the capex front, we continue to focus on our expansion initiatives. For the 9-month period, we have done a consolidated Capex of approximately INR230 crores, including capital advances. With this, we believe our capex spend for the fiscal would now cross INR250 crores.

Looking ahead, we continue to remain optimistic about our growth plans, supported by an expected increase in demand in the domestic market, especially with the onset of the upcoming back-to-school season, thereby positioning us well for sustained growth and achieving our laid out fiscal targets.

With this, I would now request to open the floor for questions and answers. Thank.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Jinesh Joshi from Prabhudas Lilladher Capital.

Jinesh Joshi: Sir, my first question is on Seven. I mean, what was the rationale for forming a separate JV with them to focus on, say, backpacks and bags when we already have an existing JV with SKIDO, which is into similar line of business.

Rahul Shah: Jinesh, Seven SpA with whom we've done this JV was actually founded in 1973 by 7 brothers in Italy and is one of Europe's leading manufacturer of ergonomic backpacks, bags, trollies and accessories. Seven generated revenues of close to EUR90 million in 2024 and holds a dominant position in Italy and across Europe in the back-to-school market and has retail presence of over 6,000-plus retail points. It also has more than 60 international patents for this category of products. Recently, FILA completed the acquisition of 51% stake in Seven.

The proposed JV that we are doing with Seven, it merges Seven's premium design and R&D expertise with DOMS' strength of managing manufacturing operations efficiently. And it would lead to building a state of art Indian production for FILA Groups' global backpack and bag requirements. And at the same time, it will allow DOMS to offer this premium range in the domestic market. For success of this entire JV, the active participation of the promoters of Seven will result in effective transfer of know-how and expertise to the JV company.

At the same time, SKIDO will objectively remain focused on the business relating to DOMS branded bags primarily catering to the Indian mass market demand for range of backpacks and school bags and also service the requirement of bags for DOMS kits and combo packs. This positions SKIDO to scale efficiently in the mass market segment, capitalizing on DOMS' brand and distribution network.

So with clear objectives defined for both the companies, where SKIDO focuses on manufacturing, distribution and sales of domestic mass market products, and the new JV focused on manufacturing for FILA's global demand and high-end premium range, we anticipate that there wouldn't be any conflict between both these ventures of DOMS and both can be successful in the same segment.

Jinesh Joshi: Understood. Sir, if I heard you right, you mentioned that the sales of Seven was roughly about EUR90 million in 2024, so it is safe to assume that, that kind of potential can accrue within the JV. That is question one. And secondly, when is the production expected to begin over here and what will be the typical price point of the backpacks? If you could just give some color on that?

Rahul Shah: So Jinesh, we are targeting to complete the formation of the JV by end of Q1 FY'27. Initially, the plan is to start manufacturing operations to cater to the demand of Seven's product in international markets. And definitely, the opportunity is large, but we still don't have any number in mind in terms of size of this operation. But over a period of time, we believe a sizable portion of this -- of the current backpack requirement can be manufactured and exported from India.

In terms of pricing of these products, if I look at the current portfolio of Seven, the prices of these bags in Italy start from around EUR60 to EUR70 per bag. Now what product gets finalized and launched in India, we are still a little time away from this. But like I said, the first focus would be to start the manufacturing operations and use this production facility to meet Seven's global requirements.

Jinesh Joshi: Sure. Sir, two small bookkeeping questions from my side. One is that if you can just share what will be our capex number for '27 and '28, given the fact that our 44-acre expansion is towards the fag end of completion. That is one.

And secondly, just one small observation. Now if I look at our purchase of stock-in-trade on 9-month basis, that is at about INR63 crores, roughly about 3.7% of our top line. And if I look at the base period, this figure was roughly about 2% of the top line.

Now given the fact that we are largely backward integrated, can you please explain what has led to a surge in this number? I mean have we started resorting to some kind of outsourcing within any of the products? So if you can just clarify on that matter as well?

Rahul Shah: So Jinesh, to answer your first question. So this year, like we said on the call, we'll end up investing close to INR250 crores in capital expenditure. We believe a similar sort of investment will be done in the next financial year with that capex investment target between INR225 crores to INR250 crores. Currently, I wouldn't -- the first few buildings of the 44-acre are getting ready. But like we mentioned earlier also multiple times, this is like an ongoing project with multiple buildings being constructed in this project and every quarter starting from Q1 FY'27, we'll get new buildings, a possession of new buildings and then about 90 days to commercialize operations. So this will go on for the next year and half sort of a thing.

To answer your second question on stock in trade, are you referring to the consolidated financials or the stand-alone financial?

Jinesh Joshi: Consol figure.

Rahul Shah: So in consol, there are two major activities in which you would see a little bit of increase in stock-in-trade is with respect to paper stationery. Earlier, Pioneer was our only subsidiary focused on paper stationery but to meet growing demand and to manage these operations a better way, we acquired STPL in East and have started also getting paper stationery products manufactured from a partner, OEM partner in South India. So that is one reason why this stock-in-trade in paper stationery has increased. And also at Uniclan, which is a baby hygiene business, and basically there the company is predominantly into pant-style diapers. In this quarter, we also introduced the flat diapers, a very small portion, but they were basically manufactured from a third-party OEM supplier and sold in the market under the Uniclan's Wowper brand. Uniclan does not have the production infrastructure to make these flat-style diapers. And just in order to complete the product range right now, we've initiated some trading activity. Once this segment also grows, we'll evaluate looking at more investment for these sort of diapers as well.

Moderator: The next question is from the line of Sneha Talreja from Nuvama.

Sneha Talreja: Congrats on the good set of numbers. Just a couple of questions from my end. Firstly, on paper stationery, we have seen a degrowth. And I recall, Rahul, you telling me, you're really largely focusing a lot towards it. So what's missing here and why the degrowth is what I wanted to understand?

Rahul Shah: Sneha, if you see, in paper stationery year-on-year for the third quarter, you will see a slight degrowth. One of the reasons for this is earlier a lot of our paper stationery business was being routed to Pioneer Stationery and there were some amount of trading activities for the paper that we used to buy, like, for example, STPL, which was last year not a subsidiary and this time when we used to get books manufactured from them, we used to buy the paper and sell it to STPL and buy the books from them. So there was some amount of trading activity, which has now decreased.

But if you look at the 9-month number, YTD number, you'll see in the paper stationery segment, we've grown at about 8.7%, 8.9%. And now with the back-to-school season coming in and now having more capacity with STPL plus also our partner in South India, we believe this segment to perform much better.

Sneha Talreja: Secondly, on the new capacity, which is likely to come up and you've been saying that you're really coming up in phased manner, if at all can you give some breakup as for first year, which are the products where the focus will be on, so as to analyze the growth in individual segments and followed by next year, expansions will be in which other phase.

Rahul Shah: Sneha first, we'll start with enhancing our capacity for wooden pencil. If you remember, we were planning to initiate capacity expansion for wooden pencil in our existing infrastructure. But looking at the strong demand that we had in the ball point segment, we then decided to expand our ball point manufacturing capacity in the existing infrastructure.

So wooden pencil capacity expansion is something which we first do in this 44-acre project, followed by enhancement in production capacity for our writing instruments, then pencil and pencil accessories, which is basically eraser, sharpeners, followed by scholastic art materials.

But again, Sneha, basically, one of the strategies that we've always followed is to be a little flexible when it comes to introduction of capacities to meet the demands of the market as much as possible, be a little more flexible when it comes to initiating these capacity additions.

So if there is any change in the market demand scenario, then we will probably change. But otherwise, the current plan is to first do pencil capacity addition followed by writing instruments and then scholastic arts.

Sneha Talreja: Understood. Also I wanted to understand in our hygiene segment now what would be the breakup between the diapers? I know we've recently launched a wet wipes, but still any breakup here would be helpful.

Rahul Shah: So more than 90% of the sales is still diapers. Wipes is something which is still building up. We started with a single SKU in the wipes segment with packs having 72 wipes. We recently introduced a smaller pack with 30 wipes. So that sales in this segment is building up. But right now, more than 90% of the sales comes from the diaper business.

Sneha Talreja: Understood. And eventually, what would be the actual mix here? Can it become like more like 60-40 or it has to be like -- can you share which is an ideal share in this particular business?

Rahul Shah: Not targeted anything, diaper remains the core focus area, wipes is like a complementary product. So the key focus would be diapers. And currently, the way we have the capacity, I assume that this percentage of 90-10 or 85-15, would continue for some time.

Moderator: The next question is from the line of Aradhana Jain from B&K Securities.

Aradhana Jain: Congratulations for the continued good set of numbers. A couple of questions. First, I wanted to know a little more on the JV. So basically, the INR15-odd crores that we are initially investing. What is the plan or what is the sort of revenue potential that you are expecting from this particular JV? And like you said that SKIDO will be -- we have positioned SKIDO as mass brand, while this will be a premium brand. So initially, is the plan that we'll just be exporting? Or will we also be targeting the domestic audience in India, like, what is the thought process? And like the initial investment is INR15-odd crores, but going forward, do we expect more investment in this particular JV? And where exactly will the manufacturing be done? That's my first question.

Rahul Shah: Aradhana, basically, the approval that we've taken right now and disclosed to the stock exchange, is basically a total investment of upto INR15 crores by both partners in proportion to their shareholding in the JV company. This JV company, like I mentioned initially, will first focus on the export opportunity, which is available whereby the JV company will be an OEM manufacturer for the backpack and supply to Seven and other FILA Group companies across the world.

In terms of product category, these bags are ultra-premium backpacks. The audience in India for such backpacks is very, very limited. But right now, also considering SKIDO also operates the entire business through the DOMS distribution network, when we decide to launch these ultra-premium backpacks in the India market, it will be done through the same distribution network, but targeting a very small, very niche set of end consumers.

In terms of projections, we don't have -- we have not yet prepared anything because this investment will happen in a step-by-step manner, but with our experience of running SKIDO for almost 1.5 years now, we believe that even in this business, achieving a 3x to a 4x sort of gross fixed asset turnover is something which is achievable, but it will happen across the next year or so once the buildup starts.

Aradhana Jain: Understood. And the manufacturing will happen in Umbergaon for this, or…?

Rahul Shah: It will happen in Umbergaon.

Aradhana Jain: Understood. My second question is on office supplies, like office supplies has done really well this quarter as well. What is leading to this kind of traction? Have we like added new pens, which is leading to the growth or the growth is primarily coming from the existing pens that's giving traction. And in the pen segment, do we like have a hero product, which is like standing out amidst all the other products? And have you like expanded beyond the INR10 price point at this point in time.

Rahul Shah: So Aradhana, basically, for us, all our products are hero products. We invest so much in making a product. So all the products are very close to our heart, and the reception that we get from the market is also something similar. So basically, the growth that you see in the office supply segment is definitely driven by writing instruments, the pens, where we'll be continuously increasing our capacity. And we -- earlier when we started our new moulding unit for pens, you typically start with a few set of machines getting operational and over a period of time, all machines getting operational.

So in this quarter, you basically seen the entire pen segment capacity addition that buildup that happened in the last previous 2 quarters, coming in production, therefore, you see good results from this segment. In terms of focus, we still continue to focus primarily on the INR5 pen segment and with expanding our portfolio in the INR10 segment also. So mix-wise we are still similar to what we were earlier.

Aradhana Jain: So it's like 70% coming from...

Rahul Shah: We have not move beyond INR10 segment as yet.

Aradhana Jain: Okay. And in terms of -- we also had plans of bringing in tips in-house. So any progress there? Or are we still obtaining the tips from outside?

Rahul Shah: No, we still continue to obtain tips from outside. As we said that we want to get into the manufacturing of tips. This is more from a perspective of having some amount of internal control over the type of tips and to understand how -- it will be more like an R&D plus in-house consumption requirement that we have. We are in the process of getting there. So once the new facility starts, then we'll also get into tip manufacturing.

Aradhana Jain: And in terms of guidance for FY '27...

Moderator: Sorry to interrupt you, Aradhana, I request you to rejoin the queue for a follow-up question, please. The next question is from the line of Percy from IIFL Capital.

Percy: Rahul, bag seems to be a focus area for you. Just wanted to understand in SKIDO till now what has been our investment? And what is the revenue turnover of this business, whatever you want to say, either on, FY '25, '26 basis or a quarterly number or an ARR, just for us to get a sense as to how the business is ramping up.

Rahul Shah: So, Percy bhai, backpack or I think the entire back-to-school segment is a segment which we were keen at exploring since a long time. With SKIDO, we found partners who helped us in getting into this segment, especially in the mass market segment very well. The bags were launched in the last back-to-school season, towards the end of the last back-to-school season. And now this is going to be actually the first complete back-to-school season where we'll be launching this product.

Till now, we've invested about INR1.02 crores in SKIDO. And for the 9 months ended 31st December, we generated a sale of about INR9.5 crores in this business. This is both the products that we sell in the market under the DOMS brand and also the bags, which SKIDO manufactures and supplies to DOMS for its kits and combo packs.

Percy: You said, sorry, 9 months FY '26 is INR9 crores?

Rahul Shah: Yes. The total investment in SKIDO will be roughly about INR2 crores plus.

Percy: Understood. Understood. Coming to...

Rahul Shah: We have put in about INR1 crores, INR1.02 crores proportionate to our shareholdings.

Percy: So coming to this scholastic art business, I think it has grown about 12% in this quarter. So just wanted to understand, see, we understand your growth drivers, which is the pens segment and all these new initiatives, bags, etc. But your core bread and butter, which is the stationery business, the scholastic art and scholastic stationery business. I mean, where are we now in this segment in terms of distribution? Where are we in terms of market share? What is the market growth here? And what do you think we can grow this business over the next 3 to 4 years, which would include our own market share gains.

So just -- I mean, not asking for a guidance, but just asking for a way to sort of evaluate and model this business out. Do you still think that this is a business which can grow at sort of close to 15% to 20%? Or do you think that no, there will have to be these other new growth businesses like pens, bags, etc., which will need to grow at maybe 50% to 100% in order for the company to do that high teens kind of a number?

Rahul Shah: So Percy, basically, scholastic stationery, scholastic art and kits and combo is something which we look together because there are a lot of complementary products in these categories. So overall, when we see all these 3 categories put together, we've grown by about 11.5%. One of a few reasons for this growth, especially if you see scholastic stationery is, despite the impact of U.S. tariffs, one of the key products that we used to export to the FILA Group company in the U.S. is wooden pencils, the blacklead wood pencils, where after the impact of 50% tariff, the sales has come down consider. Despite that in this segment year-on-year, we've grown by about 2%. This has been because, one, we've launched mechanical pencils, which were launched in Q2 FY'26, and they've got a good reception from the market. These are categories under the scholastic stationery segment. Plus a little bit of capacity -- spare capacity which we had from the decline in sales to U.S. for the wooden pencils was used to increase the capacity for wooden color lead pencils, which gets categorized in scholastic art. So that is one reason where you see the sales in the scholastic art segment increasing significantly year-on-year.

Plus like we mentioned that we are slowly starting to increase our capacities for the wooden pencils. In the 45 acres, the first plant that we are going to get ready will be focused on wooden pencils. Out of that, some capacity buildup has already started because we had some space in our color pencil division. So we've increased our capacity there. So overall color pencil as a subsegment has done really well. In terms of overall capacity increase, our target to increase the capacity of our wooden pencil is from about 5.8 million that we have -- sorry, 5.53 million that we have currently to about 8 million going in the next couple of years. This will be a gradual increase. So in the coming year and actually more in the year after, in FY'28, you'll see significant growth coming from the sales of scholastic stationery and scholastic art material where wooden pencil will become a key growth driver.

We believe that there is still significant potential in the market, both in domestic and on export front. There are already now talks of the U.S. tariffs coming back to normal. So once this comes back to the normal range, again, the lost sales to U.S. will reinitiate with more capacities in place, we'll be able to get a better output for both the domestic and export market. So we are confident on the growth prospects on these 2 segments as well. In terms of market share, honestly, we'll not have -- we don't track or follow any market reports, but it would be fair to assume that we'll be especially in the pencil segment upwards of about 35%. And with the new capacities coming in, we'll be close to about 45% of the market share.

Percy: And this 11.5% is with exports. Can you tell me what the number would be for only the India business?

Rahul Shah: For the growth of...

Percy: For the three segments you said?

Rahul Shah: Scholastic, arts and kits together.

Percy: The scholastic arts, scholastic stationery, kits and combos, which you said together is 11.5%, that includes exports. What would it be for the India business?

Rahul Shah: I would not have, Percy, this answer right now. Probably we can come back to you all with this reply. I will have our IR team get in touch to answer. I don't have the numbers off hand right now.

Percy: No problem. And this 11.5%, which you have done going ahead, let's say, over a 3-year CAGR, what do you think should be a target for a 3-year period?

Rahul Shah: So Percy, this will all depend upon when the capacity is going to come up and how it is going to be built up but this should follow -- once there will be a time when there is a major capacity addition happening, you will see this number to increase significantly in that year and then moderate down.

Percy: But that's why I am telling you -- no, I don't want year on year, sir, or understanding.

Rahul Shah: Yes, yes. So this segment also should follow the company's overall growth rate in the next 3 to 5 years.

Moderator: The next question is from the line of Kunal Vora from BNP Paribas.

Kunal Vora: So first, how should we look at the new capacities and their contribution? Would it like add 5%, 7% every quarter? Will it be lumpy? And how does the capacity come in over the next 6 to 8 quarters? That's the first question. Second one, I'll come to little bit later, but like if you can answer the first one.

Rahul Shah: So, Kunal bhai, basically historically, the way we have seen it is once we get the possession of the building to start the plant, it takes us almost about a 90-day sort of a period. And once we start the plant, it takes us about 6-odd months to reach a decent level of capacity utilization. Because in the initial phases, there are some buildup happening, some connections and assemblies and synergies that get developed, you need to sometimes change the positioning of certain machines and all. So it takes us about 6 to 7 months to reach a decent level of production. So this is how we see typical buildup happening.

So the idea is every 3 months having some new capacities starting first with pencils, then with office supplies with purely writing instruments, which includes pens, markers, highlighters, then would be pencil accessories, which is erasers, sharpeners, because that complement the growth in capacity for pencil because in a pack of pencils, you need to give 1 sharpener and eraser free. And then eventually followed with some amount of additional capacity for scholastic art materials.

Kunal Vora: But I wanted to understand whether it will be uniform, or it will be lumpy? I mean, like, will there be 1 large factory or it will be like similar sized factories, similar contribution from each of the factory?

Rahul Shah: So basically, Kunal bhai, in the 45-acre project, most of the buildings are similar in size, which is about 150,000 square feet, each building. So this is -- since you've seen the plants, just to give you a reference, this is almost double the size of our current eraser plant, which you would have seen. So they are similar. So the growth will not be very lumpy.

Yes, there will be some quarters where you will probably see a lump compared to the base quarter because probably in the base quarter, you might not have had that amount of capacity addition. But sequentially, it should be pretty much in line.

Kunal Vora: Understood. And how many factories will come in total over the next, whatever, 2, 3 years, 4 years?

Rahul Shah: So right now, we have plans to construct about a total of 9 buildings.

Kunal Vora: 9 buildings. Understood. Okay, okay, okay. And second one is regarding the...

Rahul Shah: There is construction going on for sheds. These are going to be basically storage units, and there will be utility buildings. So these are all in addition. But right now, we are planning to have 9-odd buildings constructed for production purposes.

Kunal Vora: And these 9 buildings will come over about 9 quarters -- in the 8, 9 quarter? How does it come?

Rahul Shah: Yes.

Kunal Vora: Understood. Okay. Okay. Second and last one is regarding the ultra-premium bags, you'll be manufacturing. Where are these bags currently getting manufactured? And what is the cost saving you are able to achieve? And will the margins be comparable to what you make currently?

Rahul Shah: This production with Seven SpA does -- is right now, they have production facilities, a small facility in Italy and also source considerably from China. Definitely with the Seven, the partners, like FILA's, partners at Seven also being involved in this JV and working closely with DOMS, they will also have their skin in this venture. So they would also want to shift production, as much production as possible to India over a period of time. So it can become a sizable business for DOMS as well.

Kunal Vora: But what's the rationale? I mean, will the cost be, which you will be able to deliver much lower compared to what the China cost will be or the quality? Or like what's the rationale of shifting the production?

Rahul Shah: So this Seven SpA will have a little more control because this will be now their own joint venture like we have 50%, they will also have 50%. So they have more control. Plus with the FILA and DOMS' partnership, we've been able to demonstrate in certain key categories like pencils, scholastic art materials, that from a production perspective, we can be as competitive, but much more trustworthy and better quality products than China. So we would want to replicate the same success for the Seven DOMS JV as well.

Kunal Vora: Okay. And lastly, what's the current turnover? And do you think like almost everything which is getting manufactured can come to you or you'll have to prove yourself or -- I mean how does that work?

Rahul Shah: We'll definitely have to prove ourselves. It's not that everything will come to us. Today, after almost more than 1.5 decades sort of a partnership with FILA, we've still not been able to get all the production because our focus is always equally important to grow the DOMS brand as well. So I wouldn't say that 100% will come to India. But once we start this process, I think we can have a significant portion coming to India in the next few years.

Moderator: The next question is from the line of Sunny, an Individual Investor.

Sunny: Hello, am I audible?

Rahul Shah: Yes, we can hear you.

Sunny: So I just wanted a qualitative view about, number one, where do you see your new acquisitions in the foreseeable future? What are your learnings from the new acquisitions like in the diaper segment or in SKIDO and other companies? And number two, when do you expect a bump-up in your earnings given the huge capex you have been doing in the last 2, 3 years? So in which financial year do you see a bump-up in your earnings from the huge capex? So these are the only 2 questions, sir.

Rahul Shah: Sunny, right now, all our acquisitions and subsidiaries have decent business. Like I just mentioned, SKIDO which we started, which we invested about nearly 2 years back, has done a sale of -- YTD sale of almost close to INR10 crores on a total investment of -- by both the partners to put together of about INR2 crores. Wowper business is doing well. When we invested in this company last year, they closed last full financial year at INR160-odd crores. This year, we are targeting to close -- at close to INR200 crores.

Pioneer. There has been a shift in the business model, where earlier Pioneer used to do direct sales. Now it gets routed through DOMS. Despite that, the company has grown in sales. Micro Wood, which is basically supplying material to DOMS -- the packing material to DOMS is also doing well. So overall, all companies are doing well.

STPL, Super Treads is something which we have invested very recently and this is now the first back-to-school season where we'll participate through them also. But given its strategic location, the pedigree of the management and plus some amount of backward integration that we are in the process doing there, we believe this would also be a successful acquisition for us.

Sunny: Right, right. And regarding the -- when do you expect the sales uptick?

Rahul Shah: So Sunny, we'll basically -- the way we planned, it is not right now, but even historically has been always to achieve a very steady growth. Capex and investment in capital expenditure is like an ongoing activity. During the last few years, also after listing, you would have seen that the sales of DOMS has been very measured and grown without any bumpiness. It's something where we've grown sustainably. So we'll want to follow the same approach.

So right now also, while there has been some amount of delay in our new projects, but we believe there have been other significant investments that have been happened in our current infrastructure plus certain other brownfield investment that we've done, which will support a similar sort of a growth pattern in the coming few financial years as well.

Sunny: Congratulations from my side for great results or consistent results over these years, sir.

Moderator: The next question is from the line of Ananya Nichani from Thinqwise Wealth Managers LLP.

Ananya Nichani: I wanted to ask about Uniclan. Your EBITDA margins in this quarter are at 12%, whereas the guided range was around 7% to 8%. So I wanted to understand what caused the spike in margins and whether it's sustainable?

Rahul Shah: Ananya, basically, for Uniclan, or for the entire diaper business, you could say that the third quarter is one of the strongest quarters in terms of performance with more than about 30% of sales coming in single quarter because of the winter season. And this is slightly a seasonal business where with the onset of monsoon, the business starts; during peak winter, it is the highest sales and then it tapers down after Holi sort of a season. And Q1 is almost the weakest.

So in this quarter, what typically happens is your fixed cost utilization is highest. That's the reason why you will see the EBITDA margins to be the highest in this quarter. But when you consolidate the full year numbers where Q1 is weak followed by Q4 and then Q2 and Q3, at a same level, we think this business will do about 8% to 9% annual margin.

Moderator: The next question is from the line of Mosam Shah from Wealth Guardian.

Mosam Shah: Congratulations on a good set of numbers. My first question is regarding the Jammu Kashmir land that we have acquired. So basically, around at what cost have we acquired?

Rahul Shah: So Mosam, we paid about INR16 crores for acquisition of land, building and certain electrical fittings, which will be of the use to the company. The land is spread across about 2.5-plus acres with a buildup area of close to 50,000 square feet. And this is strategically located very near to our current operations in Jammu. So management would be more easier. Here, we plan to enhance some amount of our capacities for wooden slat processing as well as there are certain attractive products in the fine art category also which requires some amount of processed wood, which we will get from this new investment in Jammu.

Mosam Shah: Okay. And also so we are guiding for 18%, 20% of revenue growth, whereas in the first 9 months, we have already done 23%. So is this something that we are guiding limited revenue growth? Or are we seeing a degrowth in quarter 4 being back-to-school season and everything?

Rahul Shah: Mosam, if you would have seen the numbers in the third quarter, if you compare year-on-year, our growth has been about 18.5%, 18.7% to be precise. This is because in the base period now starting from third quarter, the base period, we already had the impact of the Uniclan acquisition. So growth -- when we forecasted for the full year growth of close to 18%, 20%, we knew that first 2 quarters will be higher growth because there was no Uniclan consolidation impact in the base quarters, while in the next 2 quarters, we will have an impact of the Uniclan so the growth percentage on a much larger sort of a base will be a little lower.

But having said that, it's not that we are looking at any sort of a degrowth. We are confident that we'll close the year at the upper end of the guided range and at the same time, continue to be a little conservative. That's normally the way we always be. But we are confident that we'll achieve or reach at the upper end of the guided range.

Mosam Shah: Okay. Okay. Thank you. And also, this quarter, we have achieved revenue -- we have -- in our revenue mix, there's a lot of higher proportion given to the Eastern market. So is it because of the new acquisition, STPL?

Rahul Shah: In the Eastern market?

Mosam Shah: Yes, yes.

Rahul Shah: No, no. Typically, you're comparing sequential -- growth or year-on-year?

Mosam Shah: No,. Year-on-year.

Rahul Shah: Typically, I will have to see, but Mosam, one of the reason is sometimes what happens is it really depends upon the festive season also. So if the Durga Puja season in the fiscal year 2025 was in the third quarter, then the sales in East India becomes a little less during that period. And this year, I remember that Durga Puja was actually in the second quarter. So probably that can be one reason. But otherwise, there has been no impact of the STPL acquisition on it; it is just that the business fundamentals are playing out.

STPL, like I said, that -- now is the season where we will see good impact of STPL acquisition coming in because one earlier, it's a new acquisition, then the GST rate change had impacted the sales of paper stationery overall. And after that, we -- during that time and currently, we invested something in backward integration in terms of printing line being set up, which is already close to completion. This quarter, we see significant revenue -- decent revenue being consolidated from STPL to DOMS.

Moderator: The next question is from the line of Aniruddha from ICICI Securities.

Aniruddha Joshi: Yes. So Rahul bhai, two questions. One, commodity price inflation is pretty high. So how are you managing it in terms of price hike, trade spends management or changing revenue mix, product mix? Because rather than inflation, the volatility in commodity prices is also extremely high. So that is question number one.

And question number two, if you can share more details on the ESOP plan, in terms of means how many employees have got that and vesting period target, whether it is in lieu of cash salaries or bonuses or it is in addition to the cash salaries, bonuses, etc. So any further details that you can share?

Rahul Shah: Okay. Aniruddha bhai, thank you for your question. You rightly put that in the current quarter, especially from the time there have been these discussions about Greenland and Iran, there has been a significant increase in prices. There has -- the volatility has also increased. But as a company right now, we are just waiting and watching whether these are sustainable or if these are something which are like a temporary phenomenon.

Once 1.5 months sort of a thing plays down, we will decide that if these remain sustainable, then we will have to change our pricing structure either in terms of the channel margins or the MRP of the product depending on how the cost sheets pan out and how much it will increase.

So definitely, this will have a little bit of impact on our margins in the current quarter. But to what extent, we still don't know. And plus, we have a very large purchase basket. We've not seen still an increase across the purchase basket but these are in some of the key raw materials, while for some other key raw materials, the prices continue to remain constant. So that's something which we will wait and then decide on how and when to pass on any increases if any.

Secondly, in terms of ESOP, so Aniruddha bhai, these ESOP grant that we've done, we've done it from our existing approved ESOP scheme, which was the ESOP 2023 scheme. From this scheme in October 2024, we had done certain grants, I think about 117,000-odd grants had happened to about 900-plus employees. This year from the same pool, we granted about 137,000 plus of ESOPs to 1,000-plus employees. So basically, the vesting period and time frame remains the same. This is in addition to their current CTCs.

Ankit Kedia: Okay, sure, sure. This is very helpful. And congrats for great set of numbers.

Moderator: We'll take the last question from the line of Anik Mitra from Finnomics Solutions Private Limited.

Anik Mitra: Am I audible, sir?

Rahul Shah: Yes, you are.

Anik Mitra: Sir, your new brownfield capacity expansions and also greenfields are coming in phased manner. So what sort of revenue addition we can see over the period of time, if you can guide us from another 4 to 6 quarters point of view?

Rahul Shah: So Anik, honestly, right now, what we are seeing right now for the coming financial year, we will probably continue our growth momentum of close to 18% to 20% revenue growth since same sort of a growth that we will be closing with this current financial year will achieve -- we'll try to achieve the same growth in the coming financial year as well.

And after that, we should also remember that the pace on which this growth is being achieved is increasing. So after that, we still not made a plan of what we would, but that will depend on how the capacity buildup, stands up. And at least for next year, we can say that we'll continue the current growth momentum and target to achieve a sales growth of 18% to 20%.

Anik Mitra: Okay. So sir, whatever 18% to 20% you are projecting for the next year, is it like will it come from these additional capacities? Or is it the normal, like, with the current capacity?

Rahul Shah: Predominantly from the full utilization of the current capacity because the capacity addition that has happened during the course of this year for the 9 months plus in the next 3 months will get full benefit of that in the coming financial year and plus some new capacities being added in the coming financial year. But it will be more of a volume driven growth.

Anik Mitra: Okay. Okay. And sir, with the backward integration, whatever you doing in for pencil capacities? So what sort of margin improvement we may see at full capacity utilization or optimum -- at optimum level of utilization?

Rahul Shah: So I think basically, we are already one of the most backward integrated company, when it comes to manufacturing of wooden pencils. So this is the new capacity addition that we might be doing for backward integration will be to support the increase in capacity for the main product, like now the pencil capacity is going to increase. So there would not be any significant impact of this on the margins.

Anik Mitra: So we can consider margin will be as it is, means it will be maintained, like to maintain the margin this capacity utilization will -- mean this additional capacity will help.

Rahul Shah: Absolutely.

Anik Mitra: I got it. Congrats for a good set of numbers, sir.

Moderator: Ladies and gentlemen, in the interest of time, that was the last question. I would now like to hand the conference over to the management for the closing comments.

Rahul Shah: Thank you, everyone, for joining us. We appreciate your continued support and confidence in our journey. Should you have any further questions, please reach out to our Investor Relations team. Thank you and have a great day ahead.

Moderator: On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.