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CIN: 2023-24/349
CA. Manish I. Shah
B.Com. F.C.A.

M. I. Shah & Co.
Chartered Accountants

Certificate on Basis of Offer Price

2 December 2023

To,

The Board of Directors
DOMS Industries Limited
J-19, G.I.D.C., Opposite Telephone Exchange
Umbergaon, 396 171,
Gujarat, India

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India

BNP Paribas
BNP Paribas House,
1-North Avenue, Maker Maxity,
Bandra Kurla Complex,
Bandra (E), Mumbai 400 051
Maharashtra, India

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025,
Maharashtra, India

IIFL Securities Limited
24th floor, One Lodha Place,
Senapati Bapat Marg, Lower Parel (West),
Mumbai - 400 013, Maharashtra, India

(JM Financial Limited, BNP Paribas, ICICI Securities Limited and IIFL Securities Limited are appointed in relation to the Offer and are collectively referred to as the "Book Running Lead Managers" or "BRLMs" in relation to the Offer)

Re: Proposed initial public offering of equity shares of face value of ₹ 10 (the "Equity Shares") of DOMS Industries Limited (the "Company" and such offering, the "Fresh Issue") and an offer for sale of Equity Shares by certain existing shareholders of the Company (the "Offer for Sale", and together with the Fresh Issue, the "Offer")

In relation to the Company, its subsidiary and its affiliates, we, M. I. Shah & Co., Chartered Accountants, are an independent firm of chartered accountants, appointed by the Company in terms of our engagement letter dated 25 July 2023 in relation to the Offer. We have received a request from the Company to provide certain calculation of the basis for Offer price of the equity shares in the Offer.

B-242/243/244, Fortune Landmark, 2nd Floor, Opp Essel Mining and Vishal Mega Mart, GIDC, VAPI - 396 195. Email: mishan@ca@gmail.com
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In this regard, we have reviewed the restated consolidated financial statements of the Company as of the end of six months ended 30 September 2023 and for the Financial Years 2023, 2022 and 2021, prepared in accordance with the Companies Act, 2013, as amended and the rules framed thereunder, the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "Restated Consolidated Financial Statements").

Accordingly, we certify that the following information is true, correct and complete and not misleading and after considering any bonus or split of the Equity Shares undertaken post the last balance sheet of the Company):

1. BASIC AND DILUTED EARNING PER SHARE ("EPS"):

Fiscal/ Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
FY2023	18.29	18.29	3
FY2022	3.05	3.05	2
FY2021	(1.07)	(1.07)	1
Weighted Average	9.98	9.98	-
September 30, 2023[^]	13.14	13.14	

[^]Not Annualized

Note:

- The face value of each Equity Share is ₹ 10.
- Basic EPS = Restated profit for the year attributable to the equity holders of the Company/Weighted average number of equity shares outstanding during the year after considering Bonus shares which has been issued subsequent to 31 March 2023.
- Diluted EPS (₹) = Restated profit for the year attributable to equity holders of the Company/Weighted average number of equity shares outstanding during the year considered for deriving basic earnings per share and the weighted average number of Equity Shares which could have been issued on the conversion of all dilutive potential Equity Shares after considering Bonus shares which has been issued subsequent to 31 March 2023. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue of Equity Shares subsequent to March 31, 2023 in accordance with IND AS 33.
- Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'.
- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weight factor. The weighted average number of Equity Shares outstanding during the years are adjusted for the bonus issue.
- The Board of Directors at its meeting held on July 3, 2023 had approved the bonus issue of 150 new Equity Share for every one share held on record date which was approved by the shareholders by means of a special resolution dated July 3, 2023. Through a Board resolution dated July 6, 2023, the Company has allotted 558,77,700 equity shares of ₹ 10 each as bonus shares to the existing equity shareholders of the Company. Accordingly, the earnings per Equity Share have been adjusted for the aforementioned bonus issue.

The figures disclosed above are derived from the Restated Consolidated Financial Information.



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2. **PRICE EARNING RATIO (P/E) in relation to price band of ₹ [●] to ₹ [●] per Equity Share of the Company:**

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on diluted EPS as per the Restated Consolidated Financial Statements for the financial year ended March 31, 2023	The details shall be provided post the fixing of the price band by the Company at the stage of the red herring prospectus or the filing of the price band advertisement	
Based on basic EPS as per the Restated Consolidated Financial Statements for the financial year ended March 31, 2023		

3. **INDUSTRY PEER GROUP P/E RATIO**

Based on the peer group information (excluding the Company) given below in this section, the highest P/E ratio is 64.14, the lowest P/E ratio is 15.86 and the average P/E ratio is 35.98.

	P/E Ratio
Highest	64.14
Lowest	15.86
Industry Composite	35.98

Notes:

- The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below.
- P/E figures for the peer are computed based on closing market price as on December 01, 2023 on BSE, divided by Diluted EPS based on the consolidated financial results declared by the peers available on website of www.bseindia.com for the Financial Year ending March 31, 2023.

4. **AVERAGE RETURN ON NET WORTH ("RoNW"):**

As per the Restated Consolidated Financial Statements:

Fiscal/ Period ended	RoNW (%)	Weight
September 30, 2023 [^]	17.76%	
March 31, 2023	28.39%	3
March 31, 2022	5.81%	2
March 31, 2021	(3.86)%	1
Weighted Average	15.49%	

[^] Not Annualized



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Note:

- Return on Net worth attributable to the owners of the Company (%) = Restated profit / (loss) for the year attributable to owners of the Company / Net worth attributable to owners of the Company.
- Net Worth shall mean the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Balance Sheet, but does not include reserves created out of revaluation of assets, write -back of depreciation and amalgamation.
- Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. $\frac{[(RoNW \times Weight) \text{ for each year}]}{[Total \text{ of weights}]}$

5. NET ASSET VALUE ("NAV") PER EQUITY SHARE (Face value of ₹ 10):

NAV per Equity Share	(₹)
As on March 31, 2023	59.99
As on September 2023	70.69
After the completion of the Offer	
a. At the Floor Price	[•]
b. At the Cap Price	[•]
c. At the Issue Price	[•]

Notes:

⁽¹⁾ Offer Price per Equity Share will be determined on conclusion of the Book Building Process

⁽²⁾ Net Asset Value per share is calculated as Net Worth attributable to owners of the Company as at the end of Fiscal year divided by the weighted average number of Equity Shares used in calculating basic earnings per share. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue of Equity Shares subsequent to March 31, 2023 in accordance with IND AS 33

⁽³⁾ Net Worth shall mean the aggregate value of the paid-up share capital and all reserves created out of the profit, securities premium account and debit or credit balance of profit and loss account after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write -back of depreciation and amalgamation

⁽⁴⁾ The Board of Directors at its meeting held on July 3, 2023 had approved the bonus issue of 150 new Equity Share for every one share held on record date which was approved by the shareholders by means of a special resolution dated July 3, 2023. Through a Board resolution dated July 6, 2023, the Company has allotted 558,77,700 equity shares of ₹ 10 each as bonus shares to the existing equity shareholders of the Company

6. Comparison with Listed Industry Peers

We understand that listed industry peers of the Company have been identified as Kokuyo Camlin Limited, Linc Limited, Navneet Education Limited, and Flair Writing Industries Limited (the "Industry Peers").





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Based on our review of the audited financial statements of such Industry Peers for their last audited financial year i.e. (Financial year 2023), we confirm: (a) the highest P/E ratio among the Industry Peers was 64.14, while the lowest P/E ratio was 15.86, and the average P/E ratio was 35.98; and (b) the additional details as set forth below:

Name of the Company	Total revenue from operations (₹ in million)	Face value per equity share (₹)	Closing price as on December 1, 2023	P/E (₹)	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
DOMS Industries Limited	12,118.90	10	-	-	18.29	18.29	28.39%	59.99
Kokuyo Camlin Limited	7,749.43	1	156.50	64.14	2.44	2.44	9.31%	26.18
Linc Limited	4,867.55	10	707.95	28.15	25.15	25.15	21.10%	119.16
Navneet Education Limited	16,968.30	2	143.40	15.86	9.04	9.04	17.78%	50.85
Flair Writing Industries Limited	9,426.60	5	452.70	35.76	12.66	12.66	27.18%	46.57

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the financial statements of the respective company's filings made with stock exchanges available on www.bseindia.com for the Financial Year ending 31 March 2023.

Notes:

- RoNW is computed as Restated profit / (loss) for the year attributable to owners of the Company / Net worth attributable to owners of the Company.
- Net Worth shall mean the aggregate value of the paid-up share capital and all reserves created out of the profit, securities premium account and debit or credit balance of profit and loss account after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- NAV is computed as is calculated as Net Worth attributable to owners of the Company as at the end of Fiscal year divided by the weighted average number of Equity Shares used in calculating basic earnings per share. The weighted average number of Equity Shares outstanding during the year for the Company is adjusted for bonus issue of Equity Shares subsequent to March 31, 2023 in accordance with IND AS 33
- P/E ratio for industry peers has been calculated as closing share price as of 01 December, 2023, sourced from BSE, divided by diluted EPS.

We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.



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This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the red herring prospectus, prospectus and any other material used in connection with the Offer (together, the "Offer Documents") which may be filed by the Company with Securities and Exchange Board of India ("SEBI"), BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), Registrar of Companies, Gujarat at Ahmedabad ("Registrar of Companies") and / or any other regulatory or statutory authority.

We also consent to the inclusion of this letter as a part of "*Material Contracts and Documents for Inspection*" in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/ Offer Closing Date.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

This certificate may be relied on by the BRLMs, their affiliates and legal counsels in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLMs and the Company until the equity shares allotted in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.



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Yours Sincerely,

For M I Shah And Co
Chartered Accountants
ICAI Firm Registration No: 119025W

Manish I. Shah
Proprietor
Membership No.: 106342
Peer Review Certificate No.: 013564
UDIN: 23106342BGTOCC5977
Certificate No: 2023-24/ 349

CC:

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