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

Ref. No. DOMS/SE/25-26/18
Date: May 26, 2025

To,

The Manager	**The Manager**
Corporate Relationship Department	**Listing Department**
BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza, Bandra Kurla Complex,
Dalal Street,	Bandra (East),
Mumbai - 400 001	Mumbai - 400 051
BSE Symbol - DOMS	**NSE Symbol - DOMS**
BSE Scrip Code - 544045	

Subject: Transcript of the Investor Conference Call on the Audited (Standalone and Consolidated) Financial Results for the financial year ended March 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 Audited (Standalone and Consolidated) Financial Results for the financial year ended March 31, 2025, held on Tuesday, May 20, 2025, at 11:30 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/Q4_FY25.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: 2025.05.26 15:31:08 +05'30'

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

Encl.: As above

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A RR-FILA GROUP COMPANY
CIN: L36991GJ2006PLC049275

"DOMS Industries Limited

Q4 & FY25 Results Conference Call"

May 20, 2025

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 the DOMS Industries Limited Q4 and FY '25 Earnings Conference Call hosted by ICICI Securities Limited. 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone.

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

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

Aniruddha Joshi: Yes. Thanks, Shruti. On behalf of ICICI Securities, we welcome you all to Q4 FY '25 and FY '25 Results Conference Call of DOMS Industries. 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 annual performance, and then we will open the floor for question-and-answer session. Thanks, and over to you, sir.

Rahul Shah: Thank you, Aniruddha. Thank you, Shruti. Good morning, everyone. It is our pleasure to welcome all the participants to the earnings conference call for the fourth quarter and the financial year ending March 31st, 2025. Joining me on this call is our 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 we have uploaded on the exchanges and our company's website.

Our financial year 2025 results, driven by steady sales momentum showcases our resilience and ability to thrive and navigate through challenging market conditions. Through our relentless focus on execution and operational excellence, we've achieved a revenue growth of nearly 25%. This growth momentum was driven by consistent performance across our core categories, successful new product launches and the integration of Uniclan, which collectively contributed to this performance. In recognition of this performance, we are pleased to share that the Board has recommended a dividend of INR 3.15 per share, subject to shareholders' approval.

Coming to some notable updates at our subsidiaries. Pioneer stationery and Micro Wood continue to expand capacities to capitalize on growing demand for paper stationery products as well as packaging requirements of DOMS. Uniclan Healthcare, our subsidiary focused on baby hygiene segment too has delivered positive results, validating the effectiveness of our strategic initiatives. At SKIDO Industries, we launched our maiden range of DOMS branded school bags for the ongoing back-to-school season, and the initial response has been very encouraging.

Our growth trajectory is fuelled by strategic expansion initiatives. The proposed acquisition of a majority stake in Super Treads Private Limited is aimed towards increasing our manufacturing capabilities and expanding our paper stationery infrastructure. This would enable us to reach consumers more effectively and enhance our competitiveness, especially in the Eastern markets of India. This investment aligns with our vision to deliver unique differentiated products at competitive prices, leveraging our growing brand reputation and extensive distribution network.

Further, we continue to focus on expanding our manufacturing capabilities so that we can quickly and effectively cater to the increasing market demand for our products. Our capex strategy prioritizes such expansion initiatives. During the financial year 2025, at a consolidated level, the company has invested over INR 213 crores towards capital expenditure, including capital advances. These funds were primarily invested for the construction activities and purchase of plant and machineries. Further, our ongoing 44-acre expansion project construction is underway in full swing with anticipated possession of first building by Q3 FY'26 and beginning of commercial production slated in Q4 FY'26.

On a consolidated basis, our working capital stood at around 60 days. This increase in working capital days is primarily on account of increase in debtors to keep pace with the demand coming from the market. Further, the impact of Uniclan acquisition has also resulted in higher trade receivables. However, we believe with growing operation as well as full integration of Uniclan for the full year, we will be able to maintain our working capital cycle at around 55 days. The Indian growth story continues to be domestic consumption driven and on back of this, we continue to prioritize our growth in the Indian markets with focused distribution network expansion.

On exports front, we believe our distribution agreement with FILA will enable us to leverage their group network and infrastructure in their existing territories, helping us to smoothen our export business expansion and to navigate complex export environment. While we remain watchful of external uncertainties, we are optimistic about a gradual recovery in the domestic demand on the back of growing optimism around consumption-driven growth.

Our strategic efforts lay a strong foundation for medium to long term success and moving forward, we'll continue to focus on our core strengths, which are broadening of our product portfolio, boosting our production capabilities and scaling our distribution network to drive sustainable and profitable growth.

Now coming to the details of our financial performance for the quarter and year ended March 31, 2025. Consolidated revenues from operations for Q4 FY'25 grew by 26% to INR 508 crores as compared to INR 403 crores in Q4 FY'24. This sales growth was backed by growth in EBITDA from INR 75.9 crores in Q4 FY'24 to INR 88.3 crores in Q4 FY'25, growth of 16.2%. EBITDA margin for Q4 FY'25 stood at 17.3% as compared to 18.8% in Q4 FY'24, which is higher than our guided range of 16% to 17% as provided during our previous conversation. PAT for Q4 FY'25 grew by 9.3% to INR 51.3 crores as compared to INR 46.9 crores in Q4 FY'24.

PAT margin for Q4 FY'25 stood at 10.1% as compared to 11.6% in Q4 FY'24. On a sequential basis, our PAT dipped quarter-over-quarter, primarily due to lower other income resulting from utilization of cash reserves for ongoing capital expenditure. Additionally, it was impacted by a INR 2.3 crores of additional amortization expense considered in Q4 FY'25 related to Uniclan's brand value post acquisition. This is a non-cash item, but there will be an impact on the profitability to the tune of around INR 4.5 crores annually for the next few years. We believe keeping other factors constant on account of these reasons, we'll be able to maintain PAT levels of around 10% in the forthcoming financial year.

In terms of our performance for the financial year 2025, we are happy to share that our consolidated revenue from operations grew by 24.4%, in line with our guided range of 23% to 25%. Revenues from operations stood at INR 1,912 crores as compared to INR 1,537 crores in FY'24. EBITDA for FY'25 grew by 27.8% to INR 348.4 crores as compared to INR 272.7 crores in FY'24, resulting in expansion of EBITDA margin from 17.7% in FY'24 to 18.2% in FY'25. PAT for FY'25 grew by 33.7% to INR 213.5 crores as compared to INR 159.7 crores in FY'24. PAT margin for FY'25 rose to 11.2% as compared to 10.4% in FY'24. With this, I would now request to open the floor for question and answers. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Mehul Desai from JM Financial. You may proceed.

Mehul Desai: Just one or two questions. Firstly, on the top line front, while we have grown 25%, if I look at organic growth, excluding Uniclan, it is around 14% in the core stationery business, which looks on a moderate side versus what we have seen in the first three quarters. So if you could explain what has led to this, especially in the Scholastic Stationery and Scholastic art material, given that there would be some shift of that sales to kits and combos. Your kits and combos has done pretty well. So if you could explain this, what has happened in these three categories. And from a FY'26 perspective, how do you see these 2 large segments on a steady-state basis growing for you? So that's the first question.

Second question, if you can just give us one roundup on what kind of capacity additions, I mean, in which segments did the capacities got added in FY '25 and where were the capacity constraints which -- which will be addressed in FY '26?

And third is on Uniclan. I think if Uniclan has done phenomenally well in this quarter also. I think while when we acquired, Uniclan's reach was 30,000 -- 30,000 outlets. What is the increase in reach for the Uniclan brand that we have seen. So if you could address these 3 questions, that would be helpful?

Rahul Shah: Sure. We'll definitely like to. Mehul bhai, for your first question with respect to the performance of our core business, if you look at the growth of the core stationery business on a year-on-year basis, we have grown in this financial year by more than 17%, which is close to our targeted guidance of 18% to 20%.

If I have to specifically speak about the Scholastic Stationery and Scholastic Art material division and combine it with the kids and combo pack, we would really draw your attention and would like to suggest that you should probably see all these three categories together to see the growth in these three categories because kids and combo pack, if you see, has grown by over 40%. And these combo packs are largely made from individual items in the Scholastic Stationery and Scholastic Art material. There's an increasing trend that we are seeing in the market where people are preferring combination packs rather than buying small or single individual items. So that's driven the sales of kits and combo packs. So if we see the overall gross sales of Scholastic Stationery, Scholastic Art and kits and combos together, in Q4 of FY'24, these three segments accounted for close to INR 325 crores and this year also, the sale has been similar or in line with that number. And if you see on a full year basis, which is like FY'24, the gross sales of these categories was around INR 1,261 crores, which grew to INR 1,360 crores on a full year basis, which is like a 7.75% increase. So this increase has been despite not adding any capacities -- significant capacities in these segments. It's purely come from increasing of efficiencies where volume on an overall basis have grown by about 3.5% and ASP has increased by another 3% - 3.5%. So on an overall basis, when you put all these 3 segments, we've demonstrated about 8% -- close to 8% growth.

Mehul bhai, on the next question with respect to capacity. So, during the last financial year, as we had informed you all that the company is actively looking at increasing its capacity in writing instrument segments, which includes pens, markers, highlighters and other products. So we've added capacities there. Also in our Paper Stationery segment, we've added significant capacities. Capacity at Pioneer Stationery almost grew by close to about 20% and that too before the back-to-school season. So that's worked very well for the company. So during the entire financial year, like I said on the opening remarks, we had invested close to INR 213 crores out of these funds were primarily about INR 113 crores were invested towards the expansion of the 45 acres plant. In addition to that, we've invested close to INR 100 crores in our core business of stationery and about INR 10-odd crores increase at Uniclan. So that's where capacities have been added.

And going forward in FY'26, we believe that we'll be -- the total capex planning that we've done is around INR 225 crores to INR 250 crores. This will be primarily for setting up the buildings at the 44-acre facility as well as land parcels that we've acquired recently adjacent to the current flagship unit. This will enhance our capacities for pencils, writing instruments, paper stationery, etc. The 44-acre first building is expected to be ready by the end of the current calendar year and by the last quarter of the financial year, we expect to start commercial production. So that's with respect to the capacity additions that have happened and that are planned.

In terms of Uniclan - so Uniclan has definitely helped us to -- it's been a surprise for us as well, while we had earlier thought that seasonality impact would come in during the fourth quarter, where, in the last 45-odd days, sales typically go down. But due to the network integration with DOMS to some extent and also with respect to addition of capacities that happened at Uniclan, the performance has been positive. If you look at the Uniclan sales number for Q4 FY'25 Uniclan clocked revenues of INR 48.1 crores. The company's current run rate in terms of sales is around about INR 15 crores to INR17 odd crores per month, and we believe EBITDA margins to be about 8% to 9%. The company's current capacity. They've also commercialized their wet wipes -- own wet wipes manufacturing plant during this quarter towards the end of the quarter. So sales from wet wipes also will be added -- significant sales would be added in the current financial year.

Mehul Desai: And any color that you can give on what is the distribution reach now for Uniclan versus when you had acquired because you said network expansion is ahead?

Rahul Shah: So Mehul bhai, the distribution reach has more or less been constant. It's not changed significantly because what we've been trying to do is integrate some of our channel partners in the areas of operations in which Uniclan focuses in order to strengthen their focus on the business. So you wouldn't see a significant increase in the reach. Uniclan today still has about 70-plus stockist, but this includes the old stockist as well as the integrated stockist from the DOMS channel, close to 1,000-plus distributors and reaching about 35,000-plus retail outlets.

Mehul Desai: Got it. That's all from me. I will come back in the queue. Thank you Rahul bhai.

Moderator: Thank you. The next question is from the line of Priyank Chheda from Vallum Capital. You may proceed.

Priyank Chheda: Yes. Hi, this is Priyank Chheda from Vallum Capital. Rahul bhai, my question was again on the same. We have added, I think, capacities in the scholastic stationery within pencils where our capacity went up from 5.5 million pencils per day to 8.5 million. And even in office supplies, the pens capacity went up as well as in the pencils we have added. So something which is not reflecting in when it comes to quarterly sales growth. I think we have added in last quarter itself. So some highlight on that. And when it comes to, say, FY'26 within core stationery business, as you mentioned, 3.5% was the volume growth. What should we expect going ahead in FY'26 from the core stationery business?

Rahul Shah: So, Priyank, sorry, but I think, like we said, the growth in capacities in pencil is something which is underway. It has not started in the previous quarter. So in fact, as we speak, the first phase of pencil capacity, which is the wood processing and seasoning, which is one of the most critical parts in pencil manufacturing is now complete and ready in line with what our targeted increase in capacities of pencil is going to be. Phase 2 and Phase 3, which is predominantly wood working and finishing of pencil, for that construction work is in full swing. Due to certain delays in construction due to monsoon and recent climatic changes where we had unexpected rains, the possession of those infrastructure is something which will come in the coming few months, and then we'll do the installation and production. So during the last financial year, there has been absolutely no increase in the capacity, whatever 3%-odd of volume growth that we've done in our pencil business is purely on basis of efficiency from the same capacity having more output coming in. So that's what we meant, when I said 3% business coming from scholastic pencils. So we've actually not added any significant capacities. That is something which is still a plan of action.

If you see the growth in the last financial year, that has come majorly from the significant increase that has happened in office supplies, which is for pens, highlighters, markers where we've increased our capacity and paper stationery. So these two segments have resulted in majority of growth. Now if you compare from Q3 to Q4, like I said, there has not been any significant capacity additions that have happened in this quarter. So the revenue has been more or less -- the growth has been more or less not as per like a 20% sort of a growth. It's been about 7% to 9% growth.

Priyank Chheda: That is clear now, Rahul ji. So now what I've understood is pencil. I think if you can clarify the capacity, we are expanding it from 5.5 million pencils per day to 8.5 million, and that would be the growth factor for FY'26 as the capacity goes on board, goes live. When it comes to other segments, be it art material, kits and combo, paper stationery or even office supplies after the growth that we have seen, what can be the organic volume growth that we should think of it when it comes to FY'26?

Rahul Shah: So Priyank, I would really not want to say a number for the volume growth. Like I said, overall for the business, we are expecting close to 18% to 20% of revenue growth for the coming financial year at a consolidated level.

In terms of pencil growth, yes, our plan is to increase the capacities from 5.5 million to 8 million, but that will come up in phased manner. Right now, our existing infrastructure and resources are being focused on growing our capacities in our writing instrument and paper stationery category, where we have seen very positive traction coming from the market and the trade overall. And I think that is honestly like a low-hanging fruit available to capitalize on this positive response. So right now, the focus has been more on these segments. But overall, all put together, we expect the company's growth in revenues to be around 18% to 20% in the coming financial year on a consolidated basis.

Priyank Chheda: One last question on -- within exports, if you can quantify how much of that was to the FILA Group or the affiliated clients from the FILA Group within the exports for this year as well as for the last year?

Rahul Shah: So in terms of FY'25, our exports to FILA was about INR 166.5 crores and exports to other third-party customers in other countries where we sell DOMS was about INR 108 crores.

Priyank Chheda: Rahul bhai, this sales to FILA Group hasn't grown for the last 2 years. Any reason for this? Do we have a capacity constraint also over here?

Rahul Shah: Absolutely. See, Priyank, if you look at what are the key items that we sell to FILA and FILA Group affiliates that have been majorly pencils, other scholastic stationery items. Yes. We sell majorly pencils, other scholastic item and scholastic art materials. These are the three key products, key categories from which sales to FILA and FILA Group companies happen. And in these categories, we've not seen any substantial significant increase in capacities. So once the pencil capacities increase, then I believe, again, you'll see a positive growth in the FILA business. It's more to do with the product mix. The key products which have driven our revenues over the last couple of years, not a lot of them are sold to FILA and FILA Group companies, for example, writing pens. And these are new categories for us where we would really want to prioritize on our sales in the domestic market rather than focusing on export.

Priyank Chheda: Perfect. Thank you for answering all the questions.

Moderator: Thank you. The next question is from the line of Akash Shah from UTI. You may proceed.

Akash Shah: I just wanted to ask regarding paper stationery. So we have made an acquisition in this segment. So just actually, my question was we don't have the backward integration in this particular segment. I mean, I'm referring to the paper pulp manufacturing. So sir, any thoughts on how we are going to compete with the incumbents in this segment?

Rahul Shah: So Akash, yes, we do not have backward integration to the level of paper pulp or we don't even make our own paper. There are very good companies in India with good capacities who make very good paper. We've partnered with them. Our relationship with them goes back a long way. And you should also remember that it's not only a relation with respect to paper, but with a lot of packaging material that we use, we work very closely with the paper and paperboard manufacturers. So we have strong relationship with them. And therefore, we do not see paper to be a challenge in the scheme of things or our expansion plan within the paper stationery segment.

Currently, as we speak, while in around October, we had increased the capacity at Pioneer Stationery by about 20%, we are also in the process of purchasing a fourth fully automatic book machine line at Pioneer. It should be delivered at our plant in the coming month and should be ready for commercial production by June end. So there, we are adding capacity. Plus our recent acquisition of Super Treads Private Limited which is a company based in Eastern India in Siliguri, West Bengal, that will help us to increase our capacities by another 30%-odd. So overall, we believe we'll now have good infrastructure to capitalize on the positive traction that we are seeing in the paper stationery segment.

I don't know if you've got a chance to look at the newly launched paper stationery books that we've come up. It's something for the first time sort of designs and layout that has been launched in India. It's been extremely loved by our consumers. The value addition in the product in terms of designing can be really seen if you like just pick the product and compare it with others. So we are very hopeful in this segment. We believe it to be one of the key contributors to growth in the coming financial year.

Akash Shah: Sure, sir. And on pricing front, how would our pricing be versus competition?

Rahul Shah: See, paper stationery where you know pricing, we are -- I would say we are rightly priced for the product that we are delivering, the quality that we are delivering and the specifications that we are giving to our consumers, we have rightly priced our products. And that is why we are seeing such significant growth in this segment. In paper, it really depends upon the GSM of paper, which are used in manufacturing of books. So while we are maintaining our standards and quality, we are rightly placed. There might be different players having -- offering higher, lower GSM papers and being differently priced. So it's really difficult to compare on a company-to-company basis. It really depends on the quality that you are giving.

Akash Shah: Sure, sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Shrenik Bachhawat from Mahindra Manulife. You may proceed.

Shrenik Bachhawat: Congratulations on good set of numbers. So I just wanted to understand where do you see certain gaps in our portfolio versus the demand in the market, where we can look to buy smaller companies going ahead in the next 2, 3 years? Where do you see the portfolio gaps currently?

Rahul Shah: So Shrenik, honestly, in terms of capacity gaps, if I have to talk, then there is obviously gaps at almost all categories that we are present in. The ideal scenario for us would have been that if we could have everything ready tomorrow and be able to add capacity across all our product categories, but that's staying in a wonderland sort of a thing. So there are gaps everywhere-- in all capacities.

In terms of product portfolio, if you say, then there are a lot of product categories like we mentioned in the past that we would really want to enter, and we believe with our brand and network, we can do good in those segments, especially BTS, back-to-school segment. Where we consider compass boxes, tiffen boxes, school water bottles and all these segments. That's one category. Office supplies, except for writing instruments and markers highlighters, we do not have any presence. There are segments like files, folders, staplers, calculators, host of other things. So all these we see seem to be category gaps.

How do we go about these companies is something whether it would be organic or inorganic can be evaluated on a case-to-case basis. We would want to expand our presence in these product lines, which are associated with the growing years of kids and children. We love to partner with technocrat people who have good understanding of manufacturing. And if there's anything interesting, we will keep evaluating them. But there's nothing planned as such, like this will happen through an organic route or this will happen through an inorganic route. It will be on a case-to-case basis.

Shrenik Bachhawat: Sure. And you already highlighted that 18% to 20% growth we expect in FY'26. Can you highlight what is the EBITDA margin range we expect in FY'26? And what is the capex plan for next 2 years?

Rahul Shah: So, Shrenik, in terms of EBITDA margin, we expect it to be between 16.5% to 17.5% and PAT margins to be around 10% in the current financial year FY'26. In terms of capex, it's about -- like I said, we are planning to invest between INR 225 crores to INR 250 crores. This will be primarily towards the construction activities at the 44-acre plant as well as the new land parcels that we've acquired adjacent to our current flagship plant in Umbergaon. In terms of capex, the year after, I believe it to be in a similar range because then the phase of plant and machinery installation will be going on in full swing.

Shrenik Bachhawat: Okay. Thank you so much. This is it from my side.

Moderator: Thank you. The next question is from the line of Arpit Shah from Stallion Asset. You may proceed.

Arpit Shah: I just wanted to understand the guidance for FY'26 that you're guiding about 18% to 20% revenue growth. I just wanted to pick your brains on that. We still have two quarters of consolidation, which is left on the Uniclan side. And if I just use that number for FY'26, about INR 200-crores-odd, our organic growth is not looking very encouraging at least for FY'26.

Are you under eyeing on numbers or how is it, because we also have capacities coming in quarter 3 of this year from our new plant. How should we look at the revenue numbers from there on? And even on the PAT margin side, we're netting about 10%. That is majorly because of the Uniclan integration. But Uniclan integration is going on well, about INR 150 crores kind of a run rate quarterly. So how should we think about margins on that front?

Rahul Shah: So, Arpit, firstly, let me clarify, we expect in the 44-acre plant capacity addition, we'll get the possession of the building in the third quarter of the current financial year with commercial production starting in the fourth quarter. So in this year, we'll not have substantial revenue coming in from 44-acre plant.

With respect to Uniclan, see, Arpit, if you look at what we've consolidated at Uniclan for the 6.5 months that we've acquired this company, is about INR 112 crores of sales. And if you look at the Uniclan sales for the complete financial year, FY'25 was about INR 166 crores. This business has seasonality, like we've said. The first quarter is very weak because in summer, because of the climatic conditions, the propensity to urinate reduces significantly. So, the first quarter is weak. And then the business picks up from middle of the second quarter once the rains settle in throughout the country. So, what we believe is we've already consolidated two-third of Uniclan business, one-third is pending. So there wouldn't be much significant addition. Like you're saying, you cannot double it and say that there's significant that will come from Uniclan. So it will not be double, it will be just one-third additional.

And in terms of core business, including now Uniclan, that's why we're saying that we are expecting close to 18% to 20% and we'd like to be always a little conservative. That's how we've been. If you see even for the previous year, we said that on a consol level, we'll do about 23% to 25%, and we came close to that towards the upward range only. Here also, it's prudent to be a little conservative. See, because what we've experienced during the last year is because of this change in climatic conditions that we are seeing with certain spells of rains coming in off-season also, construction activities are getting impacted a little. So, it's better to be that's why a little conservative.

See, in terms of PAT margin, the reason for PAT margins to decline has been purely for two key reasons. One, our other income is decreasing. See, when we did the IPO, we had a lot of cash on the books, which were parked as fixed deposits and a lot of interest income, which was categorized in other income was realized by the company. So these fixed deposits are now coming down because we've started utilizing this cash for the expansion, for the purpose that we've taken -- raised this cash. So as we move forward, this cash would further come down. And hence, would our other income. So, like I said, our EBITDA margins are expected to remain in our guided range. But because of this reduction in other income, there will be impacts to the PAT. And plus, because of this Uniclan acquisition where we had to do a purchase price allocation where certain value was recognized towards the brand and other intangible assets, there will be an additional depreciation charge over and above for what we have generally for our tangible assets, there will be an additional depreciation charge on an annual basis of close to INR 4.5 crores. So because of this, we believe the PAT margin -- but this is a non-cash item amortization. But because of that factor, the PAT margins would be around the range of 10%.

Arpit Shah: Got it. Got it. Fair enough. So let's say, by FY'27, where we would not be, let's say, constrained by capacity. So, what kind of growth then will you all be building it for? Because FY'27 will be a big year when the capacity kicks in, at least from the new plant, because you're struggling with the pencil capacity, you're probably not struggling with the pen capacity, the scholastic and all of that. So once you're not constrained by capacity, what kind of growth you would be looking at? And just one last question, what kind of -- if you can just highlight or put a light on what is the new agreement with FILA with the promoters? What is it to do with -- is it a shareholder agreement or is it a distribution agreement? If you can just put a light on that?

Rahul Shah: Yes. So, with respect to capacity, Arpit, the way we are seeing the business being built up and the momentum we see in the market, I think next few years, we will continue to be remained with capacity constraint. I think once we increase our capacity for pencils from 5.5 million to 8 million, we are optimistic that we'll be able to achieve that growth in sales also very fast, and again, come to a position where we are constrained for capacity. And we've seen this historically also when we were increasing our capacities in pencil from 4 million to 5.5 million, we were like this will be now enough to serve the requirement, but markets always surprised us and touchwood and we expect the markets to continue to surprise us. So, capacity additions will be an ongoing process.

What capacities for what products at what point of time. As management, we would want to be a little flexible with this because one of the key strengths and reasons for us to achieve significant compounded growth in the last 10-odd years has been our ability to adopt to market requirements very soon. So, we would really not want to get limited by saying something today which might probably result in lack of flexibility. So, we believe capacity addition will be an ongoing project at least for the next 5 to 7 years.

With respect to the FILA agreement, the company, the Indian promoter shareholders and FILA entered into a shareholders' agreement and also FILA and the Indian promoter amongst themselves entered into an inter-se agreement. The essence of the shareholder agreement has been giving each other certain -- giving the promoter shareholders certain nomination and representation rights. There are certain reserved matters on which the promoter shareholder group has a say. And one of the key components of the shareholder agreement has been the decision between the promoter shareholder group and the company to give FILA an exclusive right to distribute DOMS products in the geographies where they are currently present. If you look at FILA, FILA is present in over 100 plus, 150-odd countries today and very strong in markets like U.S., Europe, Latin America. So these are all countries where they have a very strong network already established. They have infrastructure, which is already established. And what we started as a pilot where we started selling DOMS branded stationery in Italy, where FILA is the largest stationery company. There, what we saw was, while FILA continues to be the largest stationery company there, the second or the third category, especially which was taken by Chinese supplies, were slowly being able to -- DOMS was able to enter those segments and do decent business. So that is the reason why we wanted to replicate a similar sort of a model in other regions where FILA has strong existing presence and infrastructure. So, in this way, we do not even cannibalize the existing business of FILA. At the same time, we are taking away business from other companies, especially the Chinese suppliers. And with the new capacities that will come up, especially, once the 44-acre full plant has started, so we'll be able to get access to these large developed markets. So, we believe this to be an exciting agreement with FILA.

Arpit Shah: Got it. Just a follow-up on this. So, would they have an allocation in terms of what distribution -- what the exports could look like and the margins would be similar to what the company makes or it will be a bit higher since it's exports?

Rahul Shah: So, see, from a margin perspective, we've always had a similar sort of a philosophy that we need to sell the right product at the right price, keeping margins similar across all our product categories. So, I wouldn't say there would be substantial increase in margins because of this export, and that too to a developed country. But yes, exports do have a slightly better realization. So there might be certain positive impacts to the margins, but not substantially.

Arpit Shah: And what this number could grow up to, let's say -- so we were at INR 155 crores in FY'25. What this number could grow up to, let's say, in the next couple of years post this agreement?

Rahul Shah: So, right now, we are at about INR 166 crores on a gross total sales perspective. So this potential is high. It still depends when capacities come in. Arpit, I will be very honest with you, while we've always wanted to expand our business association with FILA and FILA Group Companies, domestic market continued to be our focus and somehow whenever new capacities were added, domestic market was prioritized because we wanted to build our brand here. But this time, we believe that the capacity expansion is significant, so we'll be able to fulfil the demand of FILA and FILA Group Companies reasonably well. In terms of number, I really don't know or would want to put a number that how much we'd grow to, but let the capacities come in, then we'll have better visibility.

Arpit Shah: Sure. Thank you.

Moderator: The next question is from the line of Jaiveer Shekhawat from Ambit Capital. You may proceed.

Jaiveer Shekhawat: Sure. Thanks for taking my question. Rahul, my question is on your office supplies side. Sir, you've done very well on the office supply side. I mean, almost double the revenues there. So, wanted to better understand what has really driven that your strategy there? And then what's the outlook here with respect to pen, markers and everything else that's included within office supplies? That'll be my first question, sir?

Rahul Shah: Jaiveer, like you said, office supply has done well because we've been able to add capacities there. During the last -- almost for the last 1.5 years, almost 6 quarters, we've continuously kept adding capacities in our office supply segment, which largely comes from pens. Also added and introduced recently a range of highlighters, markers, which we had in that. New product launches have also come in. So, as a result of this, overall, the office supply segment, because of capacity additions and new product launches, has done very well. And this is something on expected lines.

Jaiveer Shekhawat: And sir, given that the market potential is quite large, I mean, what's your expectation of growing this segment over the next 2, 3 years?

Rahul Shah: So like I said, right now, it seems to be, the response that we got from the market in this segment is very encouraging. And that is why right now, our current infrastructure, new infrastructure that we are getting, the resources that we have, we are prioritizing further investment in writing instruments, as well as paper stationery because we are confident that this business provides a good growth opportunity for the company.

Jaiveer Shekhawat: And sir, with respect to the current capacities that you have, how much of that would already be utilized on the pen side? And how much further are you adding? And when will that capacities come in?

Rahul Shah: So Jaiveer, it's a process. Capacity addition, there are a lot of things that happened. You also visited the plant. You've seen a lot of -- how things are happening. But -- and I wouldn't really want to compare or say exactly when and how much it will happen because it will come in phased manner. And as and when it comes, we'll keep informing you'll about it.

Jaiveer Shekhawat: Surely. And sir, on the diaper business, that will be my last question. Given that over there as well, I think with DOMS' tie-up, you seem to have been now gotten the distribution right. The product also seems to be meeting a lot of product market fit. So what's your expectation of sort of scaling that business over the next 2, 3 years?

Rahul Shah: So, Jaiveer, I would really say that we still do not have -- we've not got the distribution or the channel right. It's still work in progress. There is a lot of work to be done. It's just that when you add something or change something, you see some significant changes in the short term. But to keep that momentum going, there's a lot of work that we still need to do in terms of channel, in terms of understanding this business, how it operates. What sort of pricing mechanism works more from a long-term growth perspective. So that's still work in progress. We've, like I mentioned in our previous call also, we are integrating till the extent possible our distribution or channel strength to the benefit of Uniclan. Where Uniclan already has an established network or a channel partner, there we are trying to put in the best practices in terms of sales, in terms of pricing to get things right. It will remain a work in progress for at least next couple of years.

But like you said, this opportunity seems very good. The market size, the market potential seems very high. See, about 30 -- a significant portion of the revenues of Uniclan comes from e-commerce sales. And these sales, when we analyze deeper, we come to know that this is happening on a pan-India basis. So it at least validates that the product is accepted at a pan-India level. So it's now carefully getting things right in terms of the network and pricing and reaching the best counter from where we believe sales can be generated. But it will remain work in progress, but we are excited about this opportunity.

Jaiveer Shekhawat: Sure, sir. Thank you so much and wish you all the best.

Moderator: Thank you. The next question is from the line of Jinesh Joshi from PL Capital. You may proceed.

Jinesh Joshi: Thanks for the opportunity. Sir, I have a question on our distribution reach. I think we have some 4,750 distributors. And in the PPT, we have mentioned that the touch points are about 135,000. Now, if I compare this with our 3Q number, the distributor count was 5,600 and the touch point number was close to about 140,000. So any specific reason for contraction in the distribution reach?

Rahul Shah: No. So basically, what happened, those numbers in the 3Q included Uniclan also, where there were 1,100 sort of distributors. So we basically corrected by presenting both reach differently. So there has not been any contraction in the distribution reach. But at the same time, there has not been any significant expansion also because right now, like I said, Jinesh, earlier also, we always focused on maximizing the throughput each store. Now we've reached a reasonable number of counter spaces, and we would want to first now maximize our throughput in these stores by adding the new products that we are launching, especially paper stationery and pens.

Jinesh Joshi: Got that. And sir, secondly, I was just having a look at the balance sheet. The intangible asset number is at about INR 41 crores, and this figure was negligible in the last year. So what is the reason for rise in the intangible assets? And secondly, our receivable days have increased to about 26, presumably due to the high credit given for the hygiene business. And you mentioned that going ahead, perhaps our working capital cycle will come down from about 60 days to about 55 days. So we are trying to restrict the credit in the hygiene business, is the growth not expected to suffer over there?

Rahul Shah: So, Jinesh, in terms of your first question with regards to the intangible assets, like I said initially on the call, post the acquisition of Uniclan, we were supposed to as per IndAS regulations, we were required to do a purchase price allocation. And we had time to do this until the end of 12 months from the time we had acquired this company. So, that purchase price allocation happened during the end of this financial year FY'25, as a result of which we recognized intangible assets with respect to brand network, etc, to the tune of about INR 42 crores. And because of that, you see the intangible assets on the balance sheet increasing significantly as compared to the previous year.

Jinesh Joshi: On the receivables side, if you can just answer that part?

Rahul Shah: So if you look at the receivables, like I mentioned in the opening remarks, there has been an increase in the working capital days, primarily on account of increase in debtors. And this increase in debtors is attributed both to the acquisition of Uniclan because we consolidated only two-third of Uniclan's full financial year sales, while the debtors were consolidated at the year-end at the full level. And at the same time, I would also want to highlight that in order to meet the demand of the market and the size and scale of business, we've also extended at DOMS credit period to our channel partners. Jinesh, in our previous interactions, we always mentioned that paper stationery is one segment in the overall stationery space where the market is accustomed to credits. And now, with a higher focus on paper stationery we also had to increase the credit which we give to our channel partners. As a result of these factors, the debtors have increased at the company level, consolidated level.

Jinesh Joshi: Got that. Sir, just one last question from my side. I know this was asked earlier, but I wanted some clarification on this. This 18% to 20% growth guidance, this is ex of Uniclan or including Uniclan? Because I was confused when it was asked earlier?

Rahul Shah: No, it's including Uniclan at a consolidated level because now Uniclan is already consolidated in our numbers. So at a consolidated level, we believe to grow at 18% to 20% in the coming financial year. So that's including Uniclan.

Jinesh Joshi: Okay, sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Sneha Talreja from Nuvama. You may proceed.

Sneha Talreja: Firstly, congratulations team for a strong set of numbers. Just 2 questions from my end. One is, of course, you mentioned 18% to 20% growth for FY'26. This is including all the capacity constraints that we have for this year. Our major capex comes in Q4 FY'26. So just wanted to understand what could be the real growth of the company from FY'27 and beyond if capacity is a real constraint, like you said that we are almost optimally utilized across the segment. So just a broader question for the next 3, 4 years, you could provide us a vision that what are our plans with the new 44-acre land?

Rahul Shah: So, Sneha, with respect to the growth for this year, like I said, the 18% to 20% growth will come from the existing infrastructure plus the additions that we've done in the existing infrastructure. So this does not account for any substantial revenue contribution coming in from the 44 acres. There has been capacity additions even at Pioneer, our subsidiary, plus this acquisition that we did will help us in augmenting our capacity in paper stationery. For writing instruments, there is infrastructure and resources are being ready. And so these things will drive the growth for the current financial year.

Going forward, Sneha, how much growth will happen once the 44-acre capacity addition happens should be in a similar range as we are guiding now because you also need to keep in mind the base number is increasing year-on-year.

And the expansion at 44 acres will also come on a phased manner. The total project is about 1.8 million to 2 million square feet. In the first phase, we expect to get possession of 600,000, then it would be another 700,000, and then in the last phase, another 700,000. So therefore, the growth in capacities also will come in phased manner, and hence, the growth in revenues from the 44-acre plant will also come in a phased manner.

Sneha Talreja: And in the same way, what could be the margin trajectory, given that we are currently more than 17%? Of course, I understand Uniclan is coming with lower base -- lower margins of about 8%, 9%-odd, but still we are guiding a conservative 16.5% to 17.5% range. What happens with new land coming into play? Does our margin actually remain subdued for quite some time because of the new land and the new setup or is there any value addition that we can go about and take the margins higher, and of course, with Uniclan's improvement also taking into place simultaneously?

Rahul Shah: So see, what will happen with the margin is, Sneha, when we are in this growing phase, we always have to also add up to the fixed cost before the new capacity addition comes in commercial production. So those fixed costs then get started absorbed once the commercial production starts, like for example, I need my team to be ready before the commercial production starts. I need to have my plant head, the plant managers, all are on our payroll. We need to train them. So because of these things, the fixed costs typically increase before commercializing a plant. And now that every quarter, we'll be adding capacities from 44 acres plant. So this will be like a cycle only. And therefore, we believe that margins should remain in that range of 16.5% to 17.5%.

Plus, Sneha, ESOP expense also, like I said, is something which has had an impact on our margins. That is also expected to continue because ESOP is like a 5-year plan. We've just given out ESOPs to the tune of 10% of the total options that we plan to give. So even those factors will come in.

So looking at all these factors, I believe margins of 16.5% to 17.5% is something we'll be comfortable guiding for the coming year and later also. But we'll keep on evaluating. We'll see next year how things pan out. If there's any change in terms of guidance or something, we'll definitely communicate to you'll.

Sneha Talreja: Understood. Lastly, if I may, SKIDO's response in the market?

Rahul Shah: Good. You should also visit some stores and give us some first-hand information. But it's been good response. I happened to speak to a shopkeeper, and he said the first lot of bags that he received, he was able to sell about 50% in five, six days. But it's still early days. I really would appreciate if you'll also could go to the market, pick up the bags, see the bags, give us your feedback, that's really important.

Sneha Talreja: Sure. Understood. Thanks, Rahul.

Moderator: Thank you. The next question is from the line of Aradhana Jain from B&K Securities. You may proceed.

Aradhana Jain: Just wanted to understand a little more on the Super Treads acquisition that we've done. So we've acquired 51% for INR 6 crores of consideration. What is the revenue potential that we expect from this particular acquisition? And given that the company has been there for two decades now, so what is the current run rate that they have, revenue run rate? And given that the salience of this particular brand or the company is more in the Eastern India portion, so are we also trying to target like cross-selling of other products to that region? Because our revenue consideration coming from that region has been lower than North and West. So thoughts on that first?

Rahul Shah: I'll just answer the last part of your question first. In terms of our geographic mix, East currently contributes to almost 18% of our gross product sales. While it seems to be lower than what North and West do, but it's important to note that our sales mix on a geographic basis is very much balanced with respect to the population of these regions. In East, you see lower sales because the population on East of India is on an overall basis, is lower when compared to North and West. So it's not that East is not doing well and there would be any cross-selling opportunity. We are doing very well in East region, justifying the population and the requirement of the market.

And with this acquisition, we believe we'll be able to do better because we'll be able to reach our consumer in a shorter time, and more importantly, effectively and efficiently because in paper stationery, if you see the logistics, the delivery logistic cost is very high. So by having operations in East of India, we'll be able to effectively reach our consumer for their paper stationery requirement in a better way.

Giving you a background about Super Treads. Super Treads is basically -- has been in existence for almost over two decades, but it has been purely an OEM sort of a manufacturer. So Super Treads basically has been doing job work primarily for ITC for a very long period of time and other few brands. They never had their own sort of a brand. They have a very small brand, which they used only for the local market in Siliguri, but nothing significant in terms of sales network or anything that they had. So it's basically a job work OEM sort of a player. In terms of capacity, they have a capacity of processing about 300 metric tons of paper for different types of books that they can manufacture in the current infrastructure.

And in terms of potential, this infrastructure can translate to monthly sales of about INR 2.5 crores to INR 3 crores working at full optimal capacity per month. But right now, we will once the acquisition is complete, we will start by, first, getting the infrastructure changed in terms of the requirement of our current product portfolio. There might be a requirement to add some more machines and ancillaries which are required for the type of books that we manufacture. And post that, we believe that we can reach that potential in terms of revenue potential. And Eastern market does have that much opportunity. And Siliguri, as a region in East India, is strategically located because Northeast is also close. West Bengal, key markets are also close, so is Bihar and Odisha. So strategically also, they are in a good geography and can help us expand our paper stationery business in East India at a faster rate.

Aradhana Jain: So I was wanting to know that the capex that we plan to do of around, say, INR 400 crores, INR 450-odd crores for the next 2 years, is it fair to assume that the entire capex will be funded through internal funds or is there a scope of us to take external funding for the same?

Rahul Shah: So, out of this capex, Aradhana, we already have some amount which we raised during the IPO, which is still unutilized, about INR 165-plus crores as on 31st March, which continues to remain unutilized from the IPO proceeds that we raised, so that would be used. And rest of all should be funded through internal accruals. And if required, our balance sheet today also supports raising some more debt funds if required. But right now, we don't see any significant requirement of raising debt. Internal accruals plus IPO proceeds should be good enough to fund the expansion for the next couple of years.

Aradhana Jain: Understood. Just last question from my end on the brands that we have, DOMS TOTS, Fixy Fix, Amariz, how has the performance been? Has DOMS TOTS picked up for us? Any thoughts on that?

Rahul Shah: See, these are as it is not categories which or I would say, product lines which are going to grow significantly or meet the requirements of our other scholastic material because it caters to a very niche market, very small range of kids, typically used by kids from the age group of 2 to 3, 3.5 years. After that, they start using our regular crayons or regular finger paints. So you will never see this to grow in terms of sub-brand very significantly. But they are very important to fulfill our product portfolio.

And TOTS, especially with TOTS, what happens is we are able to reach our consumers faster. Earlier, our products used to -- kids used to start using from 3 to 4 years, and now they are able to use it from 2 years. But it's otherwise not something which will grow substantially in terms of absolute revenue numbers.

In terms of Amariz, if you see in the fine art product segment, if you see year-on-year, we've done a growth of over 50% and that has predominantly come from the increase in sale of the fine art products manufactured and sold by DOMS under the brand name of Amariz. So yes, that is doing reasonably well.

Again, with respect to Fixy Fix, if you see our hobby and craft segment, that's also grown by almost close to 25%, where growth has predominantly come from the scholastic adhesives product lines, which are sold under the brand Fixy Fix.

Aradhana Jain: Understood. This was helpful. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Mosam Shah from Wealthguardian. You may proceed.

Mosam Shah: Congratulations on a good set of number. Just wanted to ask, as you mentioned about the pencil capacity of 5.5 million pencils per day and pens to be at 3 million pens per day. So I just wanted to ask, what is the capacity for paper, excluding the acquisition that we have done? So, also about the bags and wet wipes?

Rahul Shah: Paper, our capacity today is a little upwards of 1,000 tons per month. And with the new machine that we are coming up, which will be installed at Pioneer very soon, this will increase by another 15% to 17% and this excludes the new acquisition.

And with respect to wet wipes, the capacity of wet wipe that we'll have is about 1.7 crores packs per annum. But it's, Mosam, important to note that Uniclan currently also generates some amount of sales from sale of wet wipes. They used to buy from outside and sell. It will now be something which they will make in-house and then sell. So it's not something which will add to the revenues completely. It's just some amount of that would replace the existing trading business that they used to do.

In terms of bags, our capacities right now are limited and bag capacity is driven more by stitching capacities. The bag manufacturing operations are located in Jalandhar, which is like a hub for sports good and bags where you also have the ability to increase the capacity with minimal sort of investment and infrastructure requirements is possible. So depending upon how the bag business and how the feedback that we get from the market, we'll decide on how do we want to increase our capacities for bags. But right now the capacities are limited.

Mosam Shah: Okay. And what about the art section in the portfolio?

Rahul Shah: So in terms of revenue?

Mosam Shah: Yes, capacity-wise.

Rahul Shah: So we've not added any material capacity to our scholastic art segment. There have been some capacity additions that have happened in the fine art segment. Right now, like I said, looking at the market demand and requirements, we've prioritized our capacity additions in writing instrument, paper stationery. This will be followed by increase in scholastic stationery. During the last year, we also increased our capacity for mathematical boxes significantly from about 75,000 boxes a day to more than 100,000 boxes a day. So depending on the market requirements, Mosam, we are being flexible to get the pulse of the market and increase our capacities accordingly. So right now, the focus areas have been this.

Going forward, writing instrument capacity additions will happen. There will be capacity additions for pens. There will be capacity additions for pencils for paper stationery. And then we'll probably look at capacity additions for scholastic art material. Fine art, capacity additions are something which are an ongoing process.

Mosam Shah: Okay. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Resha Mehta from GreenEdge Wealth Services. You may proceed.

Resha Mehta: Just a quick clarification. So the scholastic art stationery -- Scholastic stationery, Scholastic art materials and the kits and combos, these three segments have grown by only 4.5% in value terms in FY'25. So this low growth is purely due to the capacity constraint or is it also the market demand?

Rahul Shah: So, Resha, see, if you look at a gross product sales perspective, the revenues. Probably what you all are doing is multiplying the category-wise sales we've stated with the revenue from operations. But if you look at the gross product sales, which is pre-discount schemes and other rebates, then these three segments put together have grown by about 8%, 7.7% to be precise. This growth has predominantly come about 3%-odd was volume growth and the rest is value growth. Like I said, we've not added any significant capacities in this segment. So whatever volume growth also we are seeing is purely because of improving efficiencies where we are able to manufacture more quantities in the same infrastructure. So yes, the growth in this segment has been limited because of lack of available capacities, additional capacities.

Resha Mehta: And would you say the incentives and the discounts have also kind of increased?

Rahul Shah: So incentives and discounts have increased, but if you see, it's not something which has impacted our profitability. These have increased because now with a larger bouquet and portfolio of product, a lot of cross-product selling we do by introducing schemes and discounts where on a particular product, you give some new product in the market, to get feedback. So yes, on a absolute number basis, that has increased. Also, it is important to note that in Uniclan, where a majority of their business comes from e-commerce, and e-commerce typically have this entire thing where the gross sales first is higher and then you pay them incentive. So we started netting it out. So as a result of this, because of some additional schemes and discounts given by DOMS and also the impact of Uniclan consolidate, the absolute number of schemes and discounts you see has increased significantly, but something which is not impacting the profitability.

Resha Mehta: Right. And the guidance for the consol revenues for the current financial year is 18% to 20%. But what would that be for the core stationery business, excluding hygiene?

Rahul Shah: Some similar line, similar line.

Resha Mehta: Okay. And lastly, just a macro question on the exports, right? So because of the uncertainty, especially in the U.S., how has been the demand for exports to the U.S. market for stationery overall?

Rahul Shah: The demand has been pretty much similar. We've not seen, when the tariffs were raised and all, we have not seen any orders being cancelled from FILA. Because in U.S., we do sales only through the FILA network. So we've not seen any orders or anything cancelled. But yes, what we understand from them, there is some uncertainty because nobody expected this sort of a reaction even in U.S., but the things are getting stable now. Our shipments are as planned, there has been offtake. There has not been any cancellation of orders. And with increasing capacities from pencils coming in, we believe our sales to U.S. to increase going forward.

Resha Mehta: Okay. And the outlook for the U.S. exports. So I mean while we have not seen any cancellations so far, but going forward, have your orders kind of reduced because of the uncertainty or something of that sort?

Rahul Shah: No, absolutely not. Like I said, in U.S., our business is only through FILA. We sell to a FILA Group company there, manufacture goods under their brand and sell to them. And we've not seen any cancellations or anything from them. If you see last year also, our business to U.S. had grown by about 6%, which is in line with our growth of our Scholastic Stationery and Scholastic Art business.

Resha Mehta: All right. Thank you so much and all the best.

Moderator: Thank you. Due to time constraints, that was the last question. I now hand the conference call over to the management for the closing comments. Thank you, and over to you, sir.

Rahul Shah: Thank you, everyone. On behalf of DOMS, I would like to thank you all once again for joining us on this call today. We hope we've been able to answer most of your queries. Please feel free to reach out to our Investor Relation teams for any further clarifications or queries that you all may have. Wish you all a good day. Thank you once again.

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