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Initial Public Offer of equity shares on the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and together with BSE, the Stock Exchange in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



## LAXMI DENTAL LIMITED



(Please scan this QR Code to view the RHP)

Our Company was incorporated as 'Laxmi Dental Export Private Limited' as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated July 8, 2004, issued by the Assistant Registrar of Companies, Maharashtra at Mumbai. Pursuant to a special resolution passed in the extra-ordinary general meeting of the Shareholders held on June 18, 2024, the name of our Company was changed to 'Laxmi Dental Private Limited', and a fresh certificate of incorporation was issued to our Company by the RoC on July 24, 2024, and our Company was converted into a public limited company. Consequently, the name of our Company was further changed to 'Laxmi Dental Limited', and a fresh certificate of incorporation dated August 02, 2024, was issued by the RoC. For details of changes in the name and registered office address of our Company, see 'History and Certain Corporate Matters' on page 328 of the red herring prospectus dated January 7, 2025, "RHP" or "Red Herring Prospectus" filed with the RoC.

Registered Office: Office No. 103, Andri Arcade, J. P. Road, Opposite A.H. Wadia High School, Andheri (West), Mumbai - 400 058, Maharashtra, India. Tel: +91 22 6143 7991

Corporate Office: Plot 301, A-wing, Interface 'N', MIDC Phase II, Mira Road, Mira (West), Mumbai - 400 064, Maharashtra, India. Tel: +91 22 6143 7992.

Contact Person: Nupur Joshi, Company Secretary and Compliance Officer, E-mail: cs.sax@laxmidentalindia.com; Website: www.laxmidentalindia.com; Corporate Identity Number: U51507MH2004PLC147394

### PROMOTERS OF OUR COMPANY: RAJESH VRAJLAL KHAKHAR, SAMEER KAMLESH MERCHANT AND DHARMESH BHUPENDRA DATTANI

INITIAL PUBLIC OFFERING OF UP TO (a) EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY") OF LAXMI DENTAL LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹1 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹1 PER EQUITY SHARE ("OFFER PRICE") AGGREGATING UP TO ₹1 MILLION (THE "OFFER"), THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO (a) EQUITY SHARES OF FACE VALUE OF ₹2 EACH BY OUR COMPANY AGGREGATING UP TO ₹1,380 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 13,865,467 EQUITY SHARES OF FACE VALUE OF ₹2 EACH (THE "OFFERED SHARES") AGGREGATING UP TO ₹1 MILLION (THE "OFFER FOR SALE"), COMPRISING OF UP TO 10,684 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹1 MILLION BY RAJESH VRAJLAL KHAKHAR, UP TO 434,598 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹1 MILLION BY SAMEER KAMLESH MERCHANT TOGETHER WITH THE "PROMOTER SELLING SHAREHOLDERS" UP TO 239,838 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹1 MILLION BY JIGNA RAJESH KHAKHAR, UP TO 150,040 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹1 MILLION BY HASMUKH VRAJLAL KHAKHAR, UP TO 150,040 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹1 MILLION BY AMRISH MAHENDRABHAI DESAI, UP TO 150,040 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹1 MILLION BY PARAG JAMNADAS BHIMJIYANI, UP TO 150,040 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹1 MILLION BY KUNAL KAMLESH MERCHANT TOGETHER WITH THE "OTHER SELLING SHAREHOLDERS", UP TO 11,814,267 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING UP TO ₹1 MILLION BY ORBIDMED ASIA II MAURITIUS LIMITED (THE "INVESTOR SELLING SHAREHOLDERS") (THE "PROMOTER SELLING SHAREHOLDERS" AND THE OTHER SELLING SHAREHOLDERS, COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") (THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER WILL CONSTITUTE (a) OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

### DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND AVERAGE COST OF ACQUISITION

| NAME OF THE SELLING SHAREHOLDER    | TYPE                         | NUMBER OF EQUITY SHARES BEING OFFERED/AMOUNT (IN ₹ MILLION)                            | WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹) |
|------------------------------------|------------------------------|--|--|
| Rajesh Vrajlal Khakhar             | Promoter Selling Shareholder | Up to 196,604 Equity Shares of face value of ₹2 each aggregating up to ₹1 million      | 0.73   |
| Sameer Kamlesh Merchant            | Promoter Selling Shareholder | Up to 434,598 Equity Shares of face value of ₹2 each aggregating up to ₹1 million      | 0.50   |
| OrbidMed Asia II Mauritius Limited | Investor Selling Shareholder | Up to 11,814,267** Equity Shares of face value of ₹2 each aggregating up to ₹1 million | 26.12  |
| Jigna Rajesh Khakhar               | Other Selling Shareholder    | Up to 239,838 Equity Shares of face value of ₹2 each aggregating up to ₹1 million      | 0.06   |
| Hasmukh Vrajlal Khakhar            | Other Selling Shareholder    | Up to 150,040 Equity Shares of face value of ₹2 each aggregating up to ₹1 million      | Nil  |
| Amrish Mahendrabhai Desai          | Other Selling Shareholder    | Up to 150,040 Equity Shares of face value of ₹2 each aggregating up to ₹1 million      | Nil  |
| Parag Jamnadas Bhimjiyani          | Other Selling Shareholder    | Up to 150,040 Equity Shares of face value of ₹2 each aggregating up to ₹1 million      | Nil  |
| Kunal Kamlesh Merchant             | Other Selling Shareholder    | Up to 150,040 Equity Shares of face value of ₹2 each aggregating up to ₹1 million      | 3.33   |

\*As certified by NBT & Co., Chartered Accountants, by way of their certificate dated January 7, 2025.

\*\*Our Company has converted 290,587 outstanding CCPS into 23,822,450 Equity Shares on December 19, 2024. The conversion of such CCPS into Equity Shares is in the ratio of one CCPS into 82.32/17377 Equity Shares of face value of ₹2. For details of CCPS and conversion, see "The Offer" and "Capital Structure" on pages 118 and 141 of the RHP.

Our Company deals with end-to-end integrated dental products and our comprehensive portfolio includes custom-made crowns and bridges, branded dental products such as aligner solutions including clear aligners, thermofforming sheets, aligner-related products, and paediatric dental products.

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations

Qualified Institutional Buyer ("QIB") Portion: Not less than 75% of the Net Offer | Non-Institutional Portion: Not more than 15% of the Net Offer | Retail Portion: Not more than 10% of the Net Offer

PRICE BAND: ₹407 TO ₹428 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH.

THE FLOOR PRICE AND THE CAP PRICE ARE 203.50 TIMES AND 214.00 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY.

BIDS CAN BE MADE FOR A MINIMUM OF 33 EQUITY SHARES AND IN MULTIPLES OF 33 EQUITY SHARES THEREAFTER.

THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2024 FOR THE COMPANY AT THE HIGHER END OF THE PRICE BAND IS AS HIGH AS 79.65 AND AT THE LOWER END OF THE PRICE BAND IS 83.76 TIMES WHICH IS LOWER THAN THE INDUSTRY AVERAGE OF 94.02 TIMES

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated January 07, 2025, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section beginning on page 196 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section beginning on page 196 of the RHP.

In making an investment decision and purchase in the Offer, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the merits and risks involved and not rely on any other external sources of information about the Offer available in any manner.

In relation to price band, potential investors should only refer to this price band advertisement for the Offer and should not rely on any media articles/reports in relation to the valuation of the Company as these are not endorsed, published or confirmed either by the Company or by the BRLMs.

### RISK TO INVESTORS

For details please refer to section titled "Risk Factors" on page 37 of the RHP

- Our Company has reported consolidated loss after tax, negative earning per share for Fiscals 2023 and 2022, and written off Assets in last three Fiscals and we cannot assure that we will not experience such events in the future. Further, we have experienced negative cash flows from operating activities in the past and may continue to do so in the future:

| Particulars                            | Six month period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|--|---|-------------|-------------|-------------|
| Restated profit/ (loss) (in ₹ million) | 227.39                                    | 252.29      | (41.63)     | (186.79)    |
| Write-offs                             | 1.63                                      | 4.65        | 0.65        | 7.40        |

- Business Risk** - Our business success depends on expanding our Dental Network, recommendations by our Dental Network and increasing the wallet share per dental clinic, dental company and dentist. Failure to

achieve this in a cost-effective manner could have an adverse effect on our business, results of operations and financial condition. Further, lack of long-term purchase orders or commitments from Dental Network increases the risk of pricing pressure from our Dental Network which may have an adverse effect on our business, operations and financial condition. Details of dental network is as follows:

| Particulars    | Six month period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 | Cumulative unique dental network developed between Fiscal 2022 to Fiscal 2024 |
|----------------|---|-------------|-------------|-------------|---|
| Dental Network | 9,500+                                    | 12,200+     | 11,000+     | 10,400+     | 22,000+   |

\*After adjusting for repeat member to the Dental Network in the subsequent years.

The majority of our revenues from the B2B2C model, which involves the sale of our dental products to end customers through our Dental Network:

|   | Six month period ended September 30, 2024 |  | Fiscal 2024 |   | Fiscal 2023 |   | Fiscal 2022 |
|---|---|--|-------------|---|-------------|---|-------------|
| Total revenue from goods and services from the B2B2C model (in ₹ million) | 952.49                                    | % of our total revenue from sale of goods and services | 82.34%      | Total revenue from goods and services from the B2B2C model (in ₹ million) | 1,596.88    | % of our total revenue from sale of goods and services                    | 83.41%      |
|   |   |  |             |   | 1,233.41    | % of our total revenue from sale of goods and services                    | 77.60%      |
|   |   |  |             |   |             | Total revenue from goods and services from the B2B2C model (in ₹ million) | 980.32      |
|   |   |  |             |   |             | % of our total revenue from sale of goods and services                    | 75.71%      |

- Supplier Concentration and Pricing Risk** - Our lack of long-term supply orders of key raw materials and components from our suppliers increases the risk of pricing pressure for our demand of continued supply, any variation in the supply and cost of such key raw materials and traded goods could have an adverse effect on our business, financial condition and operations.

| Particular        | Six month period ended September 30, 2024 |  | Fiscal 2024           |  | Fiscal 2023           |  | Fiscal 2022           |  |
|-------------------|---|--|-----------------------|--|-----------------------|--|-----------------------|--|
|                   | Amount (in ₹ million)                     | As a % of the cost of total raw materials and traded goods purchased | Amount (in ₹ million) | As a % of the cost of total raw materials and traded goods purchased | Amount (in ₹ million) | As a % of the cost of total raw materials and traded goods purchased | Amount (in ₹ million) | As a % of the cost of total raw materials and traded goods purchased |
| Top 5 Suppliers*  | 94.08                                     | 34.88%   | 180.93                | 35.45%   | 165.72                | 42.92%   | 122.54                | 28.69%   |
| Top 10 Suppliers* | 134.58                                    | 49.89%   | 272.09                | 54.24%   | 224.87                | 58.24%   | 191.02                | 44.72%   |

\*We are not in a position to disclose the names of our top 5 and top 10 suppliers as this is commercially sensitive information. The top 5 and top 10 suppliers may vary for each Fiscal as per actuals.

- Geographical Concentration Risk** - Our business is concentrated in certain jurisdictions, globally and domestically, and any loss of business in such regions could have an adverse effect on our business, results of operations and financial condition. Details of it is given as, revenue from sale of goods and services\* in RHP in various zones are as follows:

| Particulars | For the six month period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|-------------|---|-------------|-------------|-------------|
| India       | 780.94  | 1,291.58    | 1,088.20    | 754.61      |
| USA         | 220.70  | 371.68      | 295.34      | 367.23      |
| UK          | 84.76   | 137.48      | 115.96      | 81.15       |
| Others      | 70.39   | 113.76      | 89.91       | 91.79       |
| Total       | 1,156.79  | 1,914.50    | 1,589.41    | 1,294.78    |

- Our business depends heavily on our reputation and perception of our brands. Any negative publicity or other harm to our brand or failure to maintain and enhance our brand recognition and maintain such quality standards may materially and adversely affect our reputation, business, results of operations and financial condition.

- Manufacturing location Risk** - Five out of six of our key manufacturing facilities are situated in and around Mumbai and any disruptions in the region could have a material and adverse effect on our business, financial condition and results of operations. Details of total units sold is below:

| Particulars                           | Six month period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---------------------------------------|---|-------------|-------------|-------------|
| Laboratory Division                   | 3,81,209                                  | 6,13,960    | 5,20,959    | 4,95,203    |
| Aligner and Aligner Products Division | 10,14,083                                 | 21,32,772   | 16,71,649   | 22,81,993   |
| Paediatric Division*                  | 4,45,358                                  | 538,638     | 86,339      | 22,132      |

| Particulars  | Six month period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|--|---|-------------|-------------|-------------|
| Total Units sold from manufacturing facilities in Mumbai Metropolitan Region | 18,40,650                                 | 32,85,370   | 22,78,947   | 27,99,328   |
| % of Total Units from Mumbai Metropolitan Region                             | 98.59%                                    | 98.88%      | 98.78%      | 99.60%      |
| Overall Total Units Sold   | 18,67,054                                 | 33,22,660   | 23,07,149   | 28,10,641   |

\* Consists of units sold by Kids-E-Dental LLP, our Jointly Controlled Entity.

- Legal Risk** - There are outstanding legal proceedings involving our Company, Subsidiaries, Promoters, and Directors which could have an adverse effect on our business, financial condition and results of operations.

- Forex Risk** - Import and Exports are material to our business operation. Further, a failure to manage our business in overseas markets or our inability to grow our business in new geographic markets may affect our growth, which could have a material adverse effect on our business, operations, prospects or financial condition. Details of total export revenue is below:

| Particulars          | Six month period ended September 30, 2024 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|----------------------|---|-------------|-------------|-------------|
| U.S.                 | 220.70                                    | 371.68      | 295.34      | 367.23      |
| UK                   | 84.76                                     | 137.48      | 115.96      | 81.15       |
| Others               | 70.39                                     | 113.76      | 89.91       | 91.79       |
| Total Export Revenue | 375.85                                    | 622.92      | 501.21      | 540.17      |

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