



# LAXMI DENTAL LIMITED



(Please scan this QR Code to view the Prospectus)

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 our 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 Prospectus.

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

Corporate Office: 301, A-wing, Interface-16, Mindspace, Malad (West), Mumbai - 400 064, Maharashtra, India; Tel: +91 22 6143 7992; Contact Person: Nupur Joshi, Company Secretary and Compliance Officer; E-mail: co.sec@laxmidentalimited.com; Website: www.laxmidentalimited.com Corporate Identity Number: U51507MH2004PLC147394

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

Our Company has filed the prospectus dated January 16, 2025 with the RoC (the "Prospectus") and the Equity Shares (as defined below) are proposed to be listed on the Main Board of the Stock Exchanges and the trading will commence on Monday, January 20, 2025.

### BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 16,309,766 EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY") OF LAXMI DENTAL LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹428 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹426 PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹6,980.58 MILLION (THE "OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF 3,224,299 EQUITY SHARES OF FACE VALUE OF ₹2 EACH BY OUR COMPANY AGGREGATING TO ₹1,380 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 13,085,467 EQUITY SHARES OF FACE VALUE OF ₹2 EACH (THE "OFFERED SHARES") AGGREGATING TO ₹5,600.58 MILLION (THE "OFFER FOR SALE"), COMPRISING OF 196,604 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹84.15 MILLION BY RAJESH VRAJLAL KHAKHAR, 434,598 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹186.00 MILLION BY SAMEER KAMLESH MERCHANT (TOGETHER THE "PROMOTER SELLING SHAREHOLDERS"), 239,838 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹102.65 MILLION BY JIGNA RAJESH KHAKHAR, 150,040 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹64.22 MILLION BY HASMUKH VRAJLAL KHAKHAR, 150,040 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹64.22 MILLION BY AMRISH MAHENDRABHAI DESAI, 150,040 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹64.22 MILLION BY PARAG JAMNADAS BHIMJIYANI, 150,040 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹64.22 MILLION BY KUNAL KAMLESH MERCHANT (TOGETHER THE "OTHER SELLING SHAREHOLDERS"), 11,614,267 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹4,970.91 MILLION BY ORBIMED ASIA II MAURITIUS LIMITED (THE "INVESTOR SELLING SHAREHOLDER") (THE PROMOTER SELLING SHAREHOLDERS, THE INVESTOR SELLING SHAREHOLDER 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 29.67% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

**ANCHOR INVESTOR OFFER PRICE: ₹ 428 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH**  
**OFFER PRICE: ₹ 428 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH**  
**THE OFFER PRICE IS 214 TIMES THE FACE VALUE OF THE EQUITY SHARES.**

### RISK TO INVESTORS

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

1. 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

2. **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)	% of our total revenue from sale of goods and services	Total revenue from goods and services from the B2B2C model (in ₹ million)	% of our total revenue from sale of goods and services	Total revenue from goods and services from the B2B2C model (in ₹ million)	% of our total revenue from sale of goods and services	Total revenue from goods and services from the B2B2C model (in ₹ million)	% of our total revenue from sale of goods and services
952.49	82.34%	1,596.88	83.41%	1,233.41	77.60%	980.32	75.71%

3. **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.

4. **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 Prospectus in various zones are as follows:

Particulars	(in ₹ million)			
	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
<b>Total</b>	<b>1,156.79</b>	<b>1,914.50</b>	<b>1,589.41</b>	<b>1,294.78</b>

5. 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.

6. **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

There have been instances where the import of raw materials was halted by relevant authorities, disrupting our supply chain and potentially leading to delays in production and increased costs.

Particulars	Six month period ended September 30, 2024	For Fiscal 2024	For Fiscal 2023	For Fiscal 2022
Total purchase value of import of goods (raw materials and traded goods)	120.20	258.53	240.82	239.60
Total cost of goods sold ("COGS")*	282.55	484.89	417.98	396.55
Total purchase value of import of goods as a % to COGS	42.54%	53.32%	57.61%	60.42%

\*Cost of goods sold = Cost of material consumed + Purchase of stock-in-trade + Change in inventories of finished goods.

9. **Regulatory Risk** - Our dental products are subject to extensive and dynamic regulations and any non-compliance with and changes in any of the applicable laws, rules or regulations related to the manufacturing, selling or distribution of our dental products, may adversely affect our business, results of operations and financial condition and cash flows.

10. **Employee Attrition related Risk** - Our business is heavily reliant on a number of qualified and experienced dental technicians and skilled laboratory staff, and any failure to attract, retain, or manage these personnel effectively could have an adverse impact on business, operations and financial condition. The attrition rates for our dental technicians and skilled laboratory staff for the six month period ended September 30, 2024 and the Fiscal 2024, 2023, and 2022 were 13.44%, 18.23%, 27.32%, and 29.77%, respectively

11. Changes in public healthcare schemes or the fluctuation of the dental insurance coverage in U.S. and the UK regions could result in an adverse impact on our business, operations, financial condition, performance and growth prospect.

#### 12. Market Risk:

The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLM is below their respective issue prices.

The Offer Price of our Equity Shares, our market capitalization to Total Income and our Price to Earning ratio at Offer Price may not be indicative of the market price of the Equity Shares after the Offer.

Particulars	Ratio vis-à-vis Floor Price (₹ 407)	Ratio vis-à-vis Cap Price (₹ 428)
Market capitalization to total income (based on Fiscal 2024) and calculated on Pre Issue Shares	10.78	11.34
Price to Earning (Diluted) (based on Fiscal 2024)	79.65	83.76
Price to Book Value (based on September 30, 2024)	31.39	33.01

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%
<b>Overall Total Units Sold</b>	<b>18,67,054</b>	<b>33,22,660</b>	<b>23,07,149</b>	<b>28,10,641</b>

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

7. **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.

8. **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
<b>Total Export Revenue</b>	<b>375.85</b>	<b>622.92</b>	<b>501.21</b>	<b>540.17</b>

13. The Weighted Average Cost of Acquisition of all Equity Shares transacted in last three years, 18 months and one year preceding the date of the Prospectus:

Period	Weighted average cost of acquisition ("WACA") (in ₹)*	Lower End of the Price Band is 'X' times the WACA^	Upper End of the Price Band is 'X' times the WACA^	Range of acquisition price Lowest Price - Highest Price (in ₹)*
Last three years	23.57	17.27	18.16	NIL <sup>®</sup> -145.47
Last 18 months	26.63	15.28	16.07	26.12-145.47
Last one year	26.63	15.28	16.07	26.12-145.47

\*As certified by NBT and Co, Chartered Accountants, pursuant to their certificate dated January 07, 2025.

® On Account of transmission of equity shares

^ To be updated in Prospectus following the finalisation of the Price Band.

14. Weighted average cost of acquisition compared to Floor Price and Cap Price:

Past transactions	Weighted average cost of acquisition per Equity Share (₹)^	Floor Price (₹)*	Cap Price (₹)*
WACA of Equity Shares based on primary issuances undertaken during the three immediately preceding years	N.A.	N.A.	N.A.
WACA of Equity Shares based on secondary transactions undertaken during the three immediately preceding years	N.A.	N.A.	N.A.

\*As certified by NBT and Co, Chartered Accountants by way of their certificate dated January 07, 2025.

15. The three BRLMs associated with the Offer have handled 75 public issues in the past three Financial Years, out of which 23 issues closed below the Offer price on the listing date.

Name of BRLMs	Total Public Issues	Issues Closed below the Offer Price on Listing Date
Nuvama Wealth Management Limited	25	7
Motilal Oswal Investment Advisors Limited	10	1
SBI Capital Markets Limited	31	9
Common Issues Handled by the BRLMs	9	6
<b>Total</b>	<b>75</b>	<b>23</b>

