



IPO Details

Opening Date	September 23, 2024
Closing Date	September 25, 2024
Allotment Date	September 26, 2024
Listing Date	September 30, 2024
Stock Exchange	NSE SME
Lot Size	1,000 Shares
Issue Price Per Share	₹142 to ₹150 per share
Issue Size	₹25.56 Cr
Fresh Issue	₹21.78 Cr
Offer for Sale	₹3.78 Cr
Application Amt	₹1,50,000 (1,000 shares)

KPIs (Amt in Lakhs.)

KPI's	FY 22	FY 23	FY 24
Revenue	1,969.25	2,331.11	3,958.62
EBITDA	408.36	615.12	1,171.44
Net Profit	84.41	240.57	503.31
RoCE	56.83%	63.77%	81.52%
ROE	25.87%	42.44%	47.43%
P/E	88.76	31.19	14.90

Promoter Share Holding Pattern

Pre-Issue	Post Issue
89.53%	65.48%

Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	10.07	7.80
BVPS	35.37	50.20
P/E	14.90	19.23
P/BV	4.24	2.99
Mkt Cap (In Cr)	75.00	96.78

Lead Managers -

Hem Securities Limited

Registrar -

Bigshare Services Pvt Ltd

IPO Note

WOL 3D India Limited

Recommendation: **AVOID!**

- Incorporated in 1988, the company has their registered office in Mumbai, Maharashtra, India.
- **Business Activity:** WOL3D is an Indian company providing comprehensive 3D printing solutions, including hardware, consumables, prototyping services, and after-sales support.
- **Revenue Streams:**
 - Product sales consistently account for vast majority of revenue, ranging from 96.00% to 99.61% across the three fiscal years. After-sales services contribute a minor portion, ranging from 0.17% to 3.96%.
 - FY2024 saw hardware at 82.04%, consumables 14.04%, other services 3.06%, and prototyping 0.85%.
- **Target Customers:** caters to a wide range of users various sectors like manufacturing, education, engineering, architecture, interior designing, fashion designing, product designing, medical, dental etc., enabling easier prototyping.
- As of August 31, 2024, the company had 77 employees on their payroll.

Objects of the Issue -

- Repayment in full or in part, of certain of the outstanding borrowings.
- Funding Working Capital requirements.
- General Corporate Purposes.

Promoters Name -

Rahul Virendra Chandalia, Saloni Rahul Chandalia, Pradeep Shripal Jain and Swati Pradeep Jain.


















Rationale for recommendation -



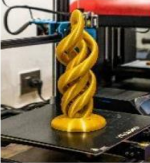



- ✓ Overvalued P/E.
- ✓ High percentage of Imports (85-92% from FY22 to FY24)
- ✓ Unsatisfactory management overview.
- ✓ Underutilized filament manufacturing capacity (22-39%) paired with highly fragmented Industry with big players possessing the economies of scale advantage.

Business Overview -

▪ **History, Problem and solution:** Venturing into the innovative business since 2019, WOL3D is an Indian company dedicated to providing accessible and cost-effective 3D printing solutions. The company's mission is to bridge the gap between ideation and manufacturing, making prototyping and production easier across various sectors. They aim to achieve this by offering high-quality, cutting-edge 3D printing technology. WOL3D values innovation, quality, and customer satisfaction, which are reflected in their diverse product portfolio and commitment to after-sales support.

Product Portfolio

Product	Sub-Categories	Features/Description/How it's made	Other Relevant Details				
Hardware							
3D Printers	Desktop, Industrial, Resin, DIY, Multi-color	Create 3D objects by depositing material in layers. Desktop printers are compact for home/education use, Industrial printers are larger for high-volume production, Resin printers offer high detail using liquid polymer, DIY kits allow users to build their own, multi-color printers can print in multiple colors simultaneously.	Many printers feature dual hands-free auto-leveling for easy setup and offer connectivity options like online printing, SD card, USB, and USB-C.				
3D PRINTER							
	Desktop 3D printer	Industrial 3D printer	Resin 3D Printer	DIY 3D printer	Multi-color 3D Printer		
							
3D Scanners		Create digital 3D models of physical objects by capturing multiple snapshots and fusing them together.	Industrial and entry-level scanners available, with turntable and hand-held modes.				
3D SCANNERS							
3D scanner to make an STL file easy to use for new users							
		 Turntable Mode	 Handheld Mode				
		LASER ENGRAVERS					
Laser Engravers		Use a laser beam to engrave or mark materials like metal, wood, glass, and plastic.	Smoke filters reduce carbon emissions. Various power levels (5w, 10w, 22w, 40w) available for different applications.				
3D Pens	iTouch, iTech	Draw 3D objects on surfaces or in mid-air. iTouch is the premium brand with additional features and accessories, while iTech caters to a price-sensitive market.	8 different models available, including patented designs.				
3D PENS							
							
I touch pace	I touch Play	I touch Prime	I touch plus	I touch	I touch Signature	I touch pro	I-Tech

Prototyping Services	SLA, FDM, SLS	Create physical prototypes using various 3D printing technologies.		Includes CAD/CAM design, vacuum casting, and reverse engineering services.	
	3D PROTOTYPING SERVICE				
	SLA Prototyping				
	FDM Prototyping				
SLS Prototyping					

Points to note

- Vertical Integration:** The company manufactures its own 3D filaments, reducing reliance on external suppliers.
- Distribution Network:** Reaches customers across India through branch offices, franchisees, experience centers, e-commerce platforms (Flipkart, Amazon, etc.), and retail chains (Croma, Crossword).
- Branch Offices:** 4 (Delhi, Hyderabad, Bangalore, Mumbai)
- Franchisee Offices:** 5 (Pune, Chennai, Coimbatore, Rajkot, Nagarcovil)
- Manufacturing Facility:** Bhiwandi, Maharashtra (capacity of 144 tonnes per annum for 3D filaments). Accredited with ISO 9001:2015 for quality management system, ROHS, CE Certificate focused on manufacturing of 3D Filaments with no jamming, no bubbles, user friendly with various colour pellets.
- Recent Milestones:** Patent registration for 3D pen designs and appearance on Shark Tank India Season 2.

Marketing and Sales

Strong after-sales support: Dedicated team of 5 service technicians and engineers for troubleshooting, training, installation, and AMC services, enhancing customer satisfaction and retention. Includes onsite support from engineers, multiple communication channels, and efficient inquiry management.

Co-branding, trademarks, distribution partnerships: Leverages brand recognition and distribution channels of international companies like Flashforge, Creality, etc. Owns trademarks for popular 3D printer brands, strengthening its market presence

Multi-channel marketing: Engages in exhibitions like “Inside 3d Printing Conference Expo”, “Plast India 2018”, “Rajkot Machine Tools Show”, “Amtech Expo”, “Jamnagar Tech Fest”, “Iamp Meet Up 2021”, “Didac India 2023”, and “Giftex 2023”, as well as online marketing, social media branding, and in-store branding to increase product awareness.

Growth Strategies

- Expansion:**
- Increase geographical reach across India through new offices, franchisees, and experience centres.
 - Expand addressable market by strengthening online presence and reseller network.

- Product & Manufacturing:**
- Expand and optimize product portfolio, reducing reliance on traded products.
 - Increase in-house manufacturing capacity for filaments to 288 tonnes per annum.

- Cost Efficiency:**
- Achieve cost savings through in-house manufacturing, economies of scale, and supply chain optimization.

Competition -

Threat of New Entrants: Moderate. While the 3D printing industry is growing, barriers include technological expertise, capital investment, and distribution network establishment.

Bargaining Power of Suppliers: Moderate. WOL3D's backward integration into filament manufacturing reduce supplier dependence, though it still relies on external components and technologies.

Bargaining Power of Buyers: Moderate to High. Buyers have many options, but WOL3D's cost-effective solution and strong after-sales support mitigate this power.

Threat of Substitutes: Low to Moderate. Traditional manufacturing exists, but 3D printing excels in customization, rapid prototyping, and complex geometries.

Competitive Rivalry: High. The market is crowded, but WOL3D's ecosystem, distribution network, and quality focus might help it stand out.

Industry life cycle: The 3D printing industry is in a growth phase, offering significant opportunities for expansion.

Technological influences: Rapid advancements in 3D printing technology can disrupt the market and require companies to stay updated. **Social influences:** Growing awareness and acceptance of 3D printing technology can drive market growth.

PEER ANALYSIS

The company believes they do not have any listed company in India and abroad that engages in a similar business to the company and thus not possible to provide an industry comparison as per its offer document.

Risk Factors -

- The company's filament manufacturing capacity is underutilized, with utilization rates ranging from 22.78% to 39.30% in FY2022-FY2024. Prolonged underutilization could negatively impact the company's business and financial performance.
- The company relies heavily on imports (85-92% of purchases in FY22-24) for its products and raw materials. Termination or unfavourable renewal of distribution agreements for international 3D printer brands, or stricter import regulations, could disrupt operations and negatively impact the business.
- The company and its directors are involved in several legal proceedings, primarily related to tax matters. The total outstanding amount in dispute for the company is ₹157.72 lakhs (₹1.40 lakhs for direct tax and ₹156.32 lakhs for indirect tax proceedings). The promoters also face tax proceedings with an outstanding amount of ₹12.23 lakhs. These are primarily tax-related proceedings. Any adverse outcome in these proceedings could lead to financial and reputational damage for the company.
- The company has unsecured loans worth 5.72 Crores.
- Company had negative cashflows in FY 22 and FY 23.

Industry Overview - Additive Manufacturing in India

Key Growth Drivers:

- **Rapid Prototyping and Product Development:** AM enables faster and more cost-effective prototyping, allowing companies to bring products to market quicker and iterate on designs efficiently.
- **Mass Customization and Personalization:** 3D printing allows for the creation of unique and personalized products, opening up opportunities in sectors like healthcare (custom implants) and consumer goods (personalized jewelry).
- **Decentralized Manufacturing and Supply Chain Resilience:** The ability to manufacture products locally reduces reliance on global supply chains and increases resilience in the face of disruptions.
- **Skill Development and Job Creation:** The growing AM industry is creating demand for skilled professionals in design, engineering, and manufacturing, contributing to job creation.

Policies:

- **Make in India and Atmanirbhar Bharat Initiatives:** These policies aim to boost domestic manufacturing, creating a favorable environment for the growth of the AM industry.
- **National Centre for Additive Manufacturing:** Established in 2023, it serves as the apex body for AM, promoting adoption, R&D, and skill development.
- **Production-Linked Incentive (PLI) Schemes:** PLI schemes for sectors like electronics and medical devices indirectly benefit AM by promoting the manufacturing of components and products that can be 3D printed.

Numerical Data:

- India's 3D printing market was valued at \$250 million in 2022 and is projected to reach \$1.79 billion by 2030, with a CAGR of 28.1%.
- The automotive sector accounts for the largest share of the AM market in India, followed by consumer products and healthcare.

Trends:

- **Metal 3D Printing:** Increasing adoption of metal 3D printing for manufacturing functional parts and components across various industries.
- **4D Printing:** Emerging technology that enables 3D-printed objects to change shape or properties in response to external stimuli, opening up new possibilities.
- **Bioprinting:** Advancements in bioprinting are enabling the creation of tissues and organs for medical applications.

Recent News:

- **Intech Additive Solutions** developed India's first metal 3D printer under the Make in India initiative.
- **IISc Bengaluru and Wipro 3D** collaborated to build India's first industrial-grade 3D printer.
- **Ministry of Electronics and Information Technology (MeitY)** is actively promoting the use of AM in electronics manufacturing through various schemes and initiatives.

Challenges:

- **High Cost of 3D Printers and Materials:** The initial investment in 3D printing equipment and materials can be a barrier for some businesses, especially SMEs.
- **Lack of Skilled Workforce:** The rapid growth of the industry is creating a shortage of skilled professionals in 3D printing design and manufacturing.
- **Regulatory Framework:** The lack of clear regulations and standards for 3D printing can create uncertainty and hinder adoption.

Key Management –

Key Management Persons Name -	Rahul Virendra Chandalia
Age	37
Designation and No. of years of experience	Promoter and Managing Director, 13+ years of experience, prior to joining the company he was associated with the proprietorship firm, Rahul rayon as Sales and Procurement Head.
Qualification	Post Graduate Diploma in Management from Prin. L.N. Welingkar Institute of Management Development & Research (We School)
Roles and Responsibility	Looks after the overall operations of the Company and is responsible for the growth initiatives and expansion plans.
Other Interests:	<i>HUF: Rahul Virendra Chandalia HUF (As Karta), Chandalia Virendra Mohanraj- HUF (As Member)</i>

Key Management Persons Name -	Saloni Rahul Chandalia
Age	37
Designation and No. of years of experience	Promoters, Whole time Director and CFO; 13 years of experience
Qualification	Master of Management studies in finance in the year 2010 from Prin. L.N. Welingkar Institute of Management Development & Research (We School)
Roles and Responsibility	Looks after financial affairs and compliance management in the company
Proprietorship Firms:	Ubercool Gifting Solutions since 2013

Key Management Persons Name -	Pradeep Shripal Jain
Age	41
Designation and No. of years of experience	Promoter and Whole Time Director; 20 years of experience; previously associated with Bhavya Lights, proprietorship firm, he has two-decades of experience in the electrical sector
Qualification	B. Com from Sydenham College of commerce and economics
Roles and Responsibility	Management of Human Resources and after sales services in the company.
Interest in other entities:	<i>HUF: Pradeep Shripal Jain HUF</i>

Key Management Persons Name -	Swati Pradeep Jain
Age	40
Designation and No. of years of experience	Promoter and Non-Executive Director; 3 years of experience; previously associated Amisha Impex Pvt Ltd for three years and has a professional experience of 3 years in textile and fashion industry.
Qualification	Bachelor of Arts in the year 2005 from University of Mumbai

Bipin Moolchand Kothari, 62, is an **Independent Director** with **7 years** of experience in the plastic industry. He has been the proprietor of Munisuvarat Polymers since 2017 and completed his B.E. in Electronics from Walchand College of Engineering in 1982 (appointed 2022).

Keyur Keshavji Karia, 36, is an **Independent Director** with **12 years** of experience in accounting, auditing, and financial management. He holds an MBA from the University of Western Ontario (2008) and is a member of ICAI (2012) and CPA Australia (2013). He is a designated partner in UNLO Enterprise LLP (since 2021) and QBIC Square Technologies LLP (since 2014) (appointed 2022).

FINANCIAL SNAPSHOT

Statement of Profit and Loss Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24
Revenue from Operations	1,969.25	2,331.11	3,958.62
Other Income	67.78	40.21	42.8
Total Income	2,037.03	2,371.32	4,001.42
Expenses			
Cost of Material Consumed	77.68	92.35	210.08
Purchase of Stock in Trade	1,550.52	1,496.61	2,989.86
Changes in inventories of finished goods	-243.32	-20.87	-688.06
Employee Benefit Expenses	124.8	121.37	225.09
Finance Cost	51.21	26.53	50.21
Depreciation and Amortisation Expenses	14.88	29.26	19.53
Other Expenses	343.7	285.81	521.64
Total Expenses	1,919.47	2,031.06	3,328.35
EBITDA	408.36	615.12	1,171.44
EBITDA Margin	20.74%	26.39%	29.59%
Profit/(Loss) before tax	117.56	340.26	673.07
Tax Expense			
Current tax	35.5	100	172.35
Deferred Tax	-2.35	-0.31	-2.59
Total Tax	33.15	99.69	169.76
Profit/(Loss) for the year	84.41	240.57	503.31
Net Profit Margin	4.29%	10.32%	12.71%

Statement of Equity, Assets and Liabilities Amt in Lakhs.

Particulars	FY 22	FY 23	FY 24
EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share Capital	100	300	300
Reserves and Surplus	226.25	266.8	761.22
Total Equity	326.25	566.80	1,061.22
2. Non-current liabilities			
Long-term borrowings	364.24	348.41	344.16
Long-term provisions	1.92	3.44	7.64
Total Non-current liabilities	366.16	351.85	351.80
3. Current liabilities			
Short-term borrowings	145.54	330.57	228.45
Trade Payables			
For Micro, Small & Medium enterprises			
For Other than Micro, Small & Medium enterprises	71.79		509.88
Other Current Liabilities	85.67	118.39	166.96
Short-Term Provisions	7.21	23.26	137.97
Total Current liabilities	310.21	472.22	1,043.26
Total Liabilities	676.37	824.07	1,395.06
Total Equity and Liabilities	1,002.62	1,390.87	2,456.28

Particulars	FY 22	FY 23	FY 24
ASSETS			
1. Non-current assets			
Property, Plant and Equipment	33.16	56.7	55.18
Intangible Assets	0.21	0.16	0.12
Capital Work in Progress	26.31		
Deferred Tax Assets (net)	3.34	3.65	6.24
Other Non- current Assets	17.16	16.28	40.77
Total Non-Current assets	80.18	76.79	102.31
2. Current assets			
Inventories	613.23	681.63	1,680.65
Trade Receivables	187.83	449.15	400.95
Cash & Cash equivalents	68.16	46.34	92.62
Short-Term Loans and Advances	42.28	118.94	135.27
Other Current Assets	10.94	18.05	44.48
Total Current assets	922.44	1,314.11	2,353.97
Total Assets	1,002.62	1,390.90	2,456.28

Cash Flow Statement	Amt in Lakhs.		
Particulars	FY 22	FY 23	FY 24
Net Cash Flow from Operating Activities	-108.92	-138.99	243.67
Net Cash Flow from Investing Activities	-35.62	-26.39	-16.3
Net Cash Flow from Financing Activities	120.76	143.56	-181.08

Key Ratios

Per Share Data	FY 22	FY 23	FY 24	Valuation Ratios (x)	FY 22	FY 23	FY 24
Diluted EPS	1.69	4.81	10.07	EV/EBITDA	1.88	1.95	1.32
BV per share	32.63	18.89	35.37	Market Cap / Sales	4.91	4.15	2.44
Operating Ratios				P/E	88.76	31.19	14.90
EBITDA Margins	20.74%	26.39%	29.59%	Price to Book Value	4.60	7.94	4.24
PAT Margins	4.14%	10.14%	12.58%	Solvency Ratios			
Inventory days	113.66	106.73	154.96	Debt / Equity	1.56	1.20	0.54
Debtor days	34.81	70.33	36.97	Current Ratio	2.97	2.78	2.26
Creditor days	8.00	8.00	27.00	Quick Ratio	1.00	1.34	0.65
Return Ratios				Asset Turnover	1.96	1.68	1.61
RoCE	56.83%	63.77%	81.52%	Interest Coverage Ratio	4.35	11.25	33.27
RoE	25.87%	42.44%	47.43%				

LEAD MANAGER TRACK RECORD -

The lead manager to the issue is Hem Securities Limited. A table has been set below highlighting the details of the IPO of the last companies handled by the Lead Manager in recent times –

Hem Securities Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Shubhshree Biofuels Energy Limited	16.56	119.00	Sep 16, 2024	233.40
2.	Vision Infra Equipment Solutions Limited	106.21	163.00	Sep 13, 2024	188.85
3.	My Mudra Fincorp Limited	33.26	110.00	Sep 12, 2024	108.00
4.	Namo eWaste Management Limited	51.20	85.00	Sep 11, 2024	149.20
5.	Aeron Composite Limited	56.10	125.00	Sep 04, 2024	135.15
6.	Sunlite Recycling Industries Limited	30.24	105.00	August 20, 2024	160.10
7.	Aprameya Engineering Limited	29.23	58.00	August 01, 2024	59.00
8.	Chetana Education Limited	45.90	85.00	July 31, 2024	90.30
9.	Ganesh Green Bharat Limited	125.23	190.00	July 12, 2024	401.95
10.	Aimtron Electronics Limited	87.02	161.00	June 06, 2024	436.85

The company has handled 60 mandates in the past three years (including the current year).

*CMP for the above-mentioned companies is taken as of 23th September 2024.

As per the offer document, from the above-mentioned mandates all have opened at a premium on the listing day.

Recommendation -

Financial Performance:

Operating Ratios:

- **Margins:** Consistent increase (PAT went from 4.14% in FY22 to 12.58% in FY24 and EBITDA margin grew from 20.74% to 29.59%), showing better cost control. Revenue growing @ CAGR of 41%.
- **Inventory Days:** Increased, indicating that it's taking longer for the company to sell its inventory.
- **Debtor Days:** Increased, needs monitoring.

Return Ratios:

- **RoCE and RoE:** Steady improvement, efficient capital use.

Solvency Ratios:

- **Debt/Equity:** Decreased, indicating a stronger financial position.
- **Current & Quick Ratios:** Decreased, potential liquidity concern.
- **Interest Coverage:** Improved significantly.

The P/E on a post-issue basis is 19.23, which is overvalued looking at the performance of the company.

Management Overview: While the management team possesses experience, their backgrounds lack technical exposure outside of their business and diversity required in this industry which raises concerns regarding their capability to keep up with the everchanging market since this is a fast-changing disruptive fragmented industry.

As it stands today, WOL 3D faces challenges due to underutilized filament manufacturing capacity (22-39%) and high import reliance (85-92%). Negative cash flows in FY22 and FY23, as well as unsecured loans of ₹5.72 Crores add to the concerns.

For the above stated reasons, we would recommend to **AVOID** this IPO for the time being. It'd be better to wait and see.

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