



IPO Note

Laxmi Dental Limited

Recommendation: **AVOID!**

Company Background -

- **Incorporation:** Laxmi Dental Limited was originally incorporated as "Laxmi Dental Export Private Limited" on July 08, 2004. The registered office is located at Mumbai, Maharashtra.
- **Business Activity:** The company offers custom-made crowns and bridges, branded dental products such as clear aligners, thermoforming sheets and aligner related products as a part of aligner solutions, and paediatric dental products.
- **Revenue Stream:** The major revenue stream for the company is from sale of laboratory products.
- **Human Resource:** The company had 2,372 permanent employees as of Sep 30, 2024.

Objects of the Issue -

- Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by the Company
- Investment in certain Subsidiaries for the repayment/prepayment, in full or in part, of certain outstanding borrowings
- Repayment or pre-payment, in full or part, of certain borrowings availed by the Company
- Funding the capital expenditure requirements for purchase of new machinery for the Company.
- Investment in the Subsidiary, Bizdent Devices Private Limited, for the capital expenditure requirements for the purchase of new machinery.
- General corporate purposes.

Promoters Name -

Rajesh Vrajlal Khakhar, Sameer Kamlesh Merchant and Dharmesh Bhupendra Dattani

Rationale for recommendation -

- ✓ The PE ratio post issue annualized basis is 51.73 times which makes it aggressively priced
- ✓ The company had incurred loss in FY22 and FY23.
- ✓ The profitability margins, EPS, RoE and RoCE has remained negative for FY22 and FY23.
- ✓ The company had negative cash flow from operations for FY22.
- ✓ The company has high concentration of suppliers.
- ✓ The promoter holding post issue is low.
- ✓ Majority of the IPO issue is offer for sale.

IPO Details

Opening Date	Jan 13, 2024
Closing Date	Jan 15, 2024
Allotment Date	Jan 16, 2024
Listing Date	Jan 20, 2024
Stock Exchange	BSE, NSE
Lot Size	33 Shares
Issue Price Per Share	₹407 to ₹428
Issue Size	698.06 Cr.
Fresh Issue	138.00 Cr.
Offer for Sale	560.06 Cr.
Application Amt	₹ 14,124 – ₹ 1,97,736 (33 to 462 shares)

INDUSTRY – Indian Dental Care Products Market Avg. PE ratio as per RHP – 94.02

KPI's	KPIs (In Crores)			
	FY 22	FY 23	FY 24	Sep-24
Revenue	136.84	161.63	193.56	116.78
EBITDA	5.41	8.96	23.79	22.73
Net Profit	-18.68	-4.20	25.23	22.74
RoCE	-6.88%	-5.17%	17.58%	12.85%*
ROE	-81.41%	-21.55%	56.60%	19.98%*
P/E	-	-	89.17	51.73*

*Annualized

Promoter Share Holding Pattern

Pre-Issue	Post Issue
46.56%	42.68%

Valuation Parameters

Particulars	Pre-Issue	Post Issue*
EPS	4.80	8.27
BVPS	1,447.55	41.42
P/E	89.17	51.73
P/BV	0.30	10.33
Mkt Cap (In Cr)	2,214.38	2,352.38

*Annualized

Lead Managers -

Nuvama Wealth Management Limited
Motilal Oswal Investment Advisors Limited
SBI Capital Markets Limited

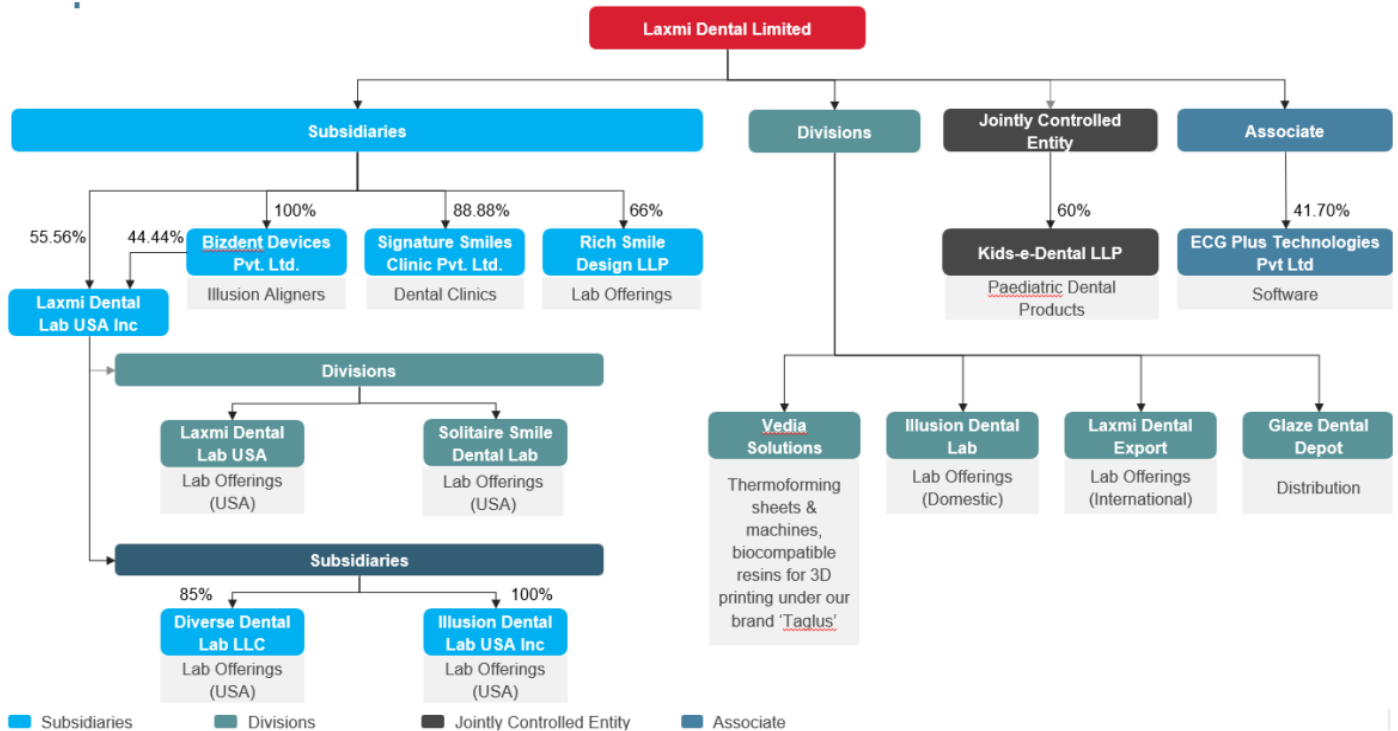
Registrar -

MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)

Business Overview –

Laxmi Dental Limited offerings include custom-made crowns and bridges, branded dental products such as clear aligners, thermoforming sheets and aligner related products as a part of aligner solutions, and paediatric dental products. They majorly operate in B2B2C model. The company has a reach of over 22,000 dental clinics, dental companies and dentists and have catered to the global and domestic demand by exporting in more than 95 countries and 320 cities in India between FY22 to Sep-24.

The below chart outlines the structure of the group:



Product Portfolio:

1. Laboratory Offerings: This includes custom made dental prosthesis such as metal free crowns and bridges, including their range of branded premium zirconia crowns and bridges “Illusion Zirconia”, porcelain fused to metal (“PFM”) crowns, bridges, and dentures. They have also launched iScanPro on August 9, 2024, branded intraoral scanners for digital dentistry, currently being employed by 264 dentists.



Illusion Zirconia



iScanPro



Full Mouth Zirconia

2. Aligner Solutions: The company has launched clear aligners under the brand Illusion Aligners which is the first Indian brand to receive 510(k) clearance from US FDA in 2021 to market clear aligners. Through their division, Vedia Solutions, they offer aligner and retainer material, dental thermoforming machines, biocompatible 3D printing resins and consumables under the brand Taglus.



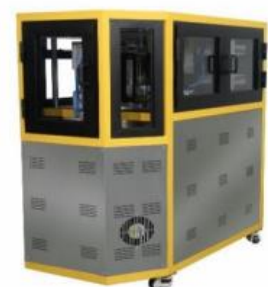
Illusion Aligners



3D Printing Resin



Aligner Material



Thermoforming Machine

3. Paediatric Dental Products: Kids-E-Dental offers pre-formed branded paediatric crowns, Silver Diamide Fluoride (“SDF”), space maintainers, fissure sealant, reinforced splint and mineral trioxide aggregate. The company has been granted a design registration on “Bioflx”, a semi-flexible tooth coloured pre-formed dental crown for children in India.



Manufacturing Units: The company has six manufacturing units spread over a cumulative area of 1,47,029.63 sq. ft., five of which are located in Mumbai and one in Kochi. Further five supporting facilities two of which are located in Mumbai, and one each in Delhi, Bengaluru, and Ahmedabad with manufacturing capabilities.

Period	Capacity Utilization %				
	Laboratory Offerings	Aligner Products	Other aligner related products	Crown Products	Crown products and other products
FY2022	96.62%	27.18%	72.88%	-	58.55%
FY2023	88.27%	84.42%	30.48%	5.35%	48.13%
FY2024	87.50%	76.65%	34.23%	32.13%	15.92%
Sep-24	87.10%	66.48%	32.37%	53.93%	15.00%

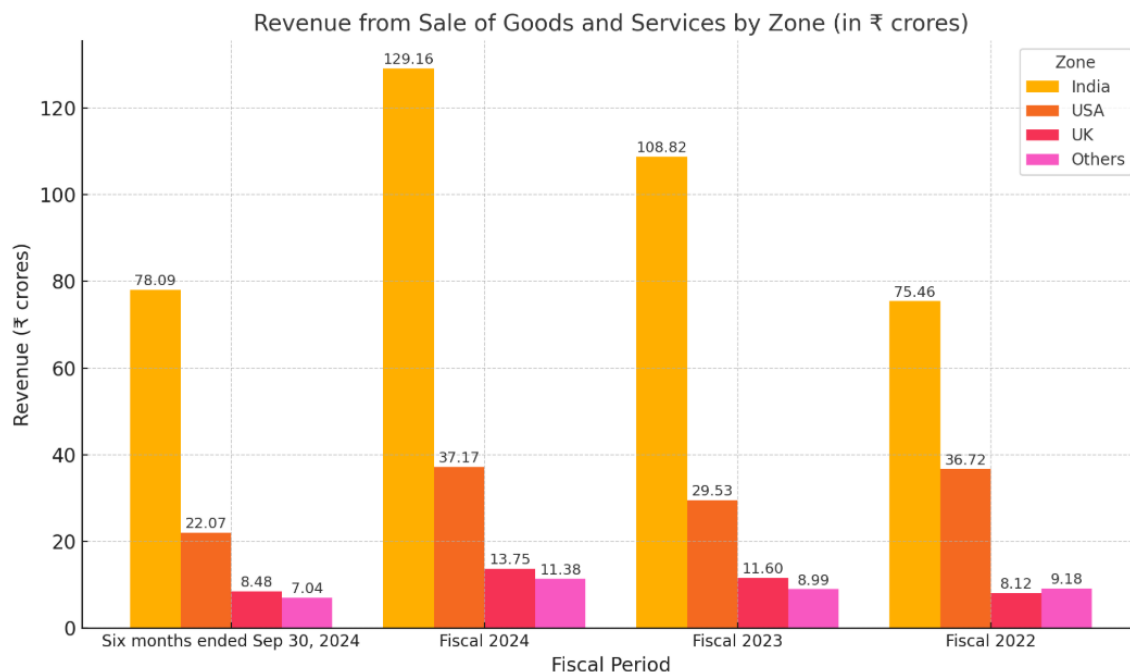
Revenue Bifurcation Product-wise:

(Amt in Cr.)

Particulars	FY 2022		FY 2023		FY 2024		Sep-24	
	Amt	%	Amt	%	Amt	%	Amt	%
Laboratory	93.21	71.99	105.51	66.38	123.96	64.75	72.96	63.07
Aligner Solutions	22.97	17.74	35.06	22.06	53.84	28.12	35.98	31.10
Others	13.30	10.27	18.37	11.56	13.65	7.13	6.74	5.83
Total*	129.48	100.00	158.94	100.00	191.45	100.00	115.68	100.00

*This does not include other operating revenue.

Revenue Bifurcation Geography-wise:



Competition -

1. **Market Competition:** The industry is highly competitive and the key factors of competition are range of product offerings, ability to customise products, brand recognition, dental network, turnaround time, fees and customer service.
2. **Geographic Competition:** The company faces competition from global and Indian dental lab companies, global and Indian dental product companies offering dental laboratory and branded dental products.
3. **Barriers to entry:** Moderate barriers to entry.
4. **Threat of Substitutes:** High threat of substitutes.
5. **Bargaining Power of Buyers:** The bargaining power is high with the customers.
6. **Bargaining Power of Suppliers:** The bargaining power is low with the suppliers.

Business Strategies -

1. The company intends to grow Dental Network by continuing to invest in sales and marketing activities and continue cross selling their dental products to existing dental networks.
2. The company plans to pursue expansion on an international level by obtaining registrations such as CE (regulatory agency per European standard), and ANVISA (Brazilian health regulatory agency) in relation to additional products.
3. The company has partnered with a leading paediatric dental company for distribution of Bioflx crowns globally across 81 countries.
4. The company intends to upgrade zirconia restorations to offer greater strength, durability, and aesthetics and provide improved natural-looking appearance, augment the range of metal-free offerings.
5. The company plans to incur capital expenditure towards purchase of new machinery including for (i) injection moulding and extrusion, (ii) CAD/CAM machinery such as computers, 3D printers, CAD/CAM software, scanners, (iii) other machinery such as packing, polishing, laser marking machine, pump, furnaces and weighing balance, resin machine, extrusion and tools.

Risk Factors -

The subsidiary companies are highly dependent top 10 suppliers for raw materials. For FY22, FY23, FY24 and Sep-24, Laxmi Dental Lab USA's top 10 suppliers contributed 189%, 93.18%, 99.10% and 101.07% respectively, Bizdent Devices's top 10 suppliers contributed 99.10%, 93.91%, 104.76% and 88.22% respectively, Signature Smiles Dental Clinic's top 10 suppliers contributed 97.39%, 96.83%, 106.53% and 95.28% respectively and Rich Smile Design LLP's top 10 suppliers contributed 96.34%, 97.35%, 90.76% and 100.00% respectively.

The company has 5 cases against it amounting to Rs. 5.02 Cr. and have filed 6 cases amounting to Rs. 25.27 Cr.

The promoters have 12 cases against them for criminal and tax matters amounting to Rs. 5.21 Cr.

The directors have 7 cases against them for criminal and tax matters amounting to Rs. 5.47Cr.

The company had incurred loss for FY22 and FY23.

The company had negative cash flow from operations for FY22.

The company has contingent liabilities amounting to Rs. 0.71 Cr. as of Sep 30,2024.

INDUSTRY OVERVIEW -

Global Healthcare -

US Healthcare Industry:

As per American Dental Association, the National Dental Expenditure in the US increased from US\$ 152 Bn in 2016 to US\$ 165 Bn in 2022, and as per National Association of Dental Plans, the total dental insurance enrollment increased from 77% in 2016 to 88% in 2022.

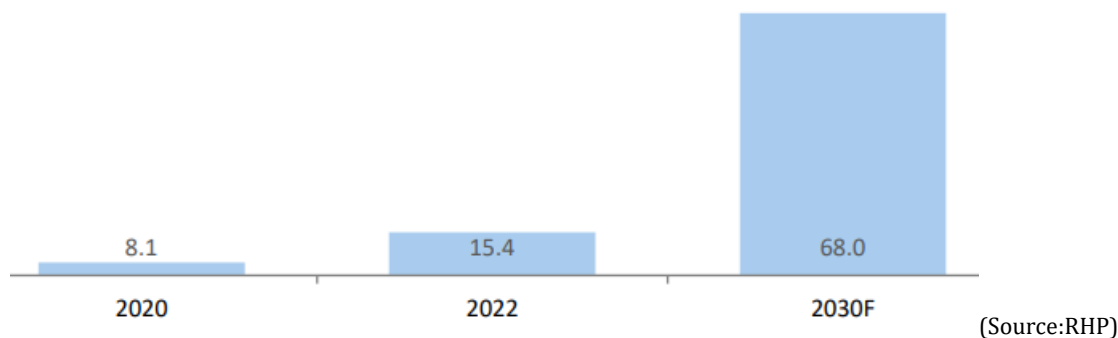
UK Healthcare Industry:

The United Kingdom spends about 11.3% of its GDP on Healthcare. The Per Capita spend on healthcare is US\$ 4,986.12 UK healthcare expenditure was around US\$350 billion in 2022, an increase of 0.7% from 2021.

Indian Medical Device Industry:

The Indian Medical Device market is estimated to reach US\$ 50.0 Bn by 2030 at a growth rate of 20.4% from its estimated value of US\$ 15.4 Bn in 2022. It is estimated to contribute 1.65% of the global medical device market. Export of medical devices from India increased from US\$ 2.29 Bn in 2020 to US\$ 3.40 Bn in 2022. The Indian medical device exports are projected to reach US\$ 18 Bn in 2030. Major segments of the Indian Medical device industry include Equipment and Electronics, Disposables and Consumables, IVD equipment and Reagents, Implants, Surgical Instruments and other devices.

Exhibit 2.11: Indian Medical Device market* (US\$ Bn), 2022-2030F
CAGR 2022 - 2030F: 20.4%

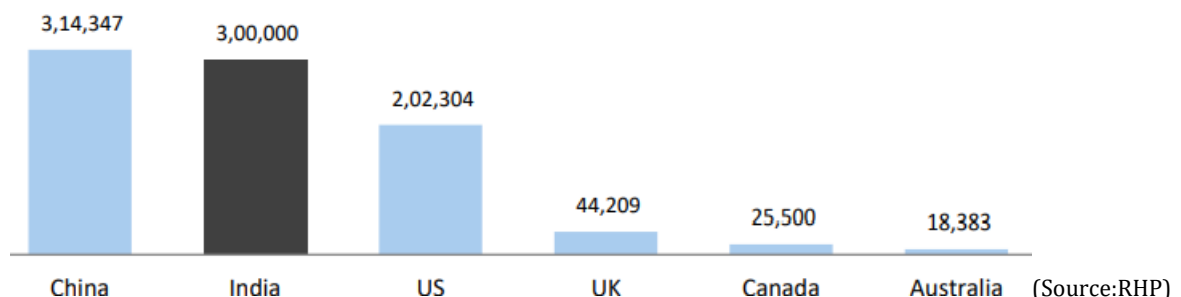


Indian Dental Market:

India's dental care services market is estimated to be US\$ 3.4 Bn in 2023 and expected to grow at a rate of 12.6% to reach US\$ 7.8 Bn in 2030. The growth of the market is being driven by increasing prevalence of Oral Health disorders such as Dental Caries, Malocclusion and Periodontal diseases among the population, and greater demand for general and specialized dental care due to growing awareness.

India has the second-highest number of dentists in the world after China; approximately 3 lakh dentists are registered with the Dental Council of India (DCI).

Exhibit 2.16: No. of Dentist across key countries



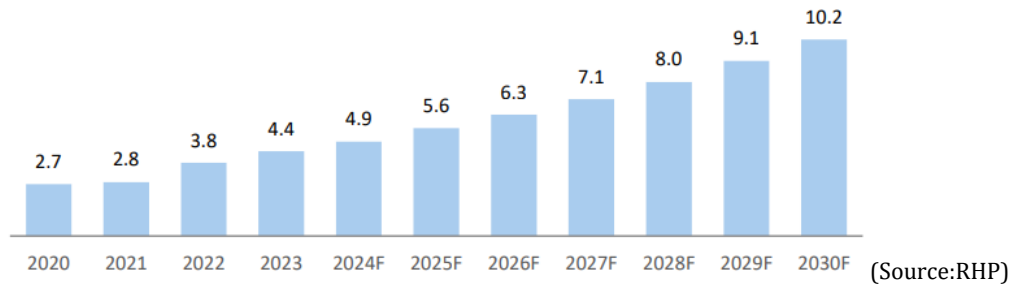
Global Dental Care Services Market:

The dental care services include the provision of cosmetic, preventive and restorative dental care services by licensed dentists to patients. The Global Dental Care Services market is estimated to grow from US\$ 506.8 Bn in 2023 to US\$ 840.8 Bn in 2030, growing at a CAGR of 7.5%.

Indian Dental Care Services Industry:

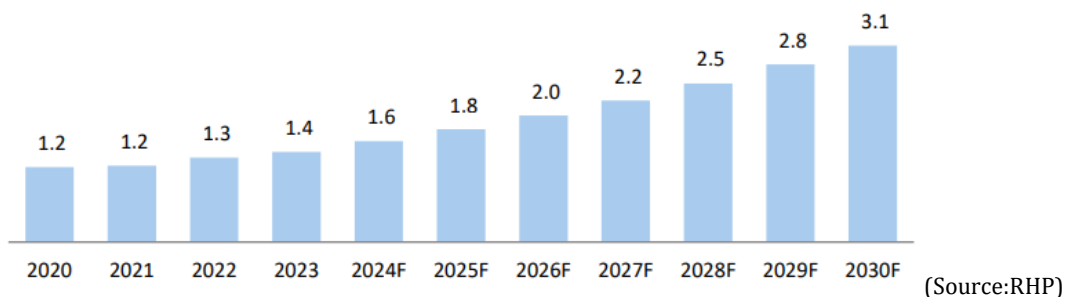
The Indian Dental Care Services market is one of the fastest growing markets globally, growing at a higher rate compared to global market. The market is expected to grow from US\$ 4.4 Bn in 2023 to US\$ 10.2 Bn in 2030 at a growth rate of 13.0%.

Exhibit 2.22: Indian Dental Care Services Market (US\$ Bn), 2020-2030F
CAGR 2023 to 2030F: 13.0%



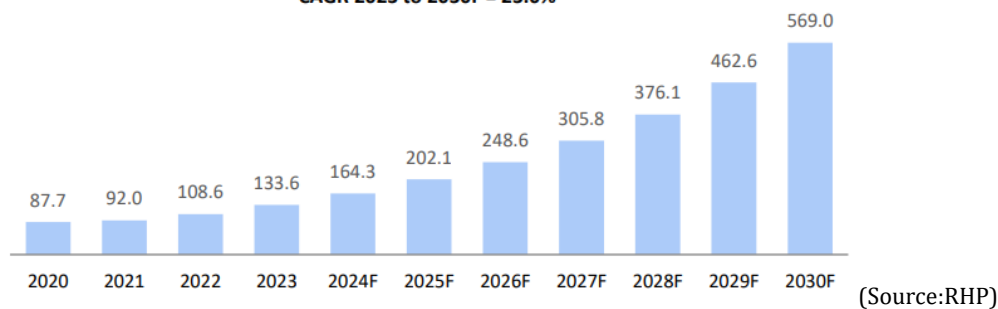
The **Indian market for custom-made crowns and bridges**, in terms of retail sales, is estimated to grow from US\$ 1.4 Bn in 2023 to about US\$ 3.1 Bn in 2030 at a growth rate of 11.8%. The major factors driving the market growth are growing adoption of dental treatments, aging population, and the need for restorative treatments etc.

Exhibit 2.28. Indian Custome-made Crowns and Bridges Market (US\$ Bn), 2020-2030F
CAGR 2023 to 2030F 11.8%



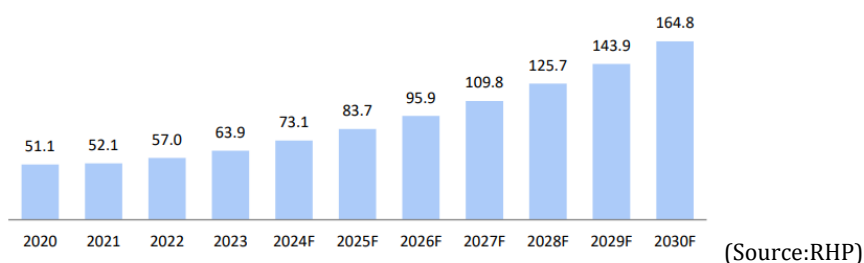
The **Indian Clear Aligner market**, which is relatively underpenetrated, is expected to grow from US\$ 133.6 Mn in 2023 to US\$ 569.0 Mn in 2030 at a much higher rate of 23.0% compared to the global market.

Exhibit 4.4. India Clear Aligner Market (US\$ Mn), 2020 - 2030F
CAGR 2023 to 2030F = 23.0%



The **Indian market for Paediatric dental crowns**, in terms of retail sales, is estimated to grow from US\$ 63.9 Mn in 2023 to US\$ 164.8 Mn in 2030 at a growth rate of 14.5%. The Indian Paediatric crown market is witnessing an attractive growth due to rising prevalence of dental disorders among children, increasing awareness of disorders such as dental caries among parents and improving access to specialty dental providers.

Exhibit 4.13. Indian Paediatric Dental Crown Market (US\$ Mn), 2020 - 2030F
CAGR 2023 to 2030F= 14.5 %



Key Management -

Key Management Persons Name -	Rajesh Vrajlal Khakhar
Age	55
Designation and No. of experience	Promoter, Chairman and Whole-Time Director, 30+ years of experience
Qualification	Higher secondary education
Responsibility	Responsible for managing business partnerships with leading international customers and oversees business development activities of the Company
Other Directorships	Bizdent Devices Private Limited, Signature Smiles Dental Clinic Private Limited etc.

Key Management Persons Name -	Sameer Kamlesh Merchant
Age	42
Designation and No. of experience	Promoter, Managing Director and Chief Executive Officer, 20+ years of experience
Qualification	Dental Mechanic Course
Responsibility	Responsible for the overall business strategy, operations, financial performance and management and oversees digital initiatives and technology transformation of the Company
Other Directorships	Bizdent Devices Private Limited, ECG Plus Technologies Private Limited etc.

Key Management Persons Name -	Sumona Chakraborty
Age	36
Designation and No. of experience	Non-Executive and Non-Independent (Nominee) Director, 10+ years of experience
Qualification	Bachelor's degree of technology in bio-technology and a post graduate diploma in management (finance)
Responsibility	Responsible for the overall operations and supervision of manufacturing facilities
Previous Associations	LifeCell International Private Limited, Adret Retail Private Limited etc.

Key Management Persons Name -	Rajesh Shashikant Dala
Age	71
Designation and No. of experience	Non-Executive Independent Director, 34+ years of experience
Qualification	Bachelor's degree in mechanical engineering
Other Directorships	Ascent Meditech Limited, Biogenomics Limited etc.

Key Management Persons Name -	Anjana Rajendra Grewal
Age	71
Designation and No. of experience	Non-Executive Independent Director, 23+ years of experience
Qualification	Bachelor's degree in chemical engineering, , a master's degree in management services and a doctor of philosophy (Arts)
Current Venture	Associate Dean and Head of School of Humanities Cum Associate Professor (Management-HR) with Amity University, Punjab and Amity Global Business School, Mohali.

Key Management Persons Name -	Devesh Ghanshyam Chawla
Age	39
Designation and No. of experience	Non-Executive Independent Director, 15+ years of experience
Qualification	Bachelor's degree in computer engineering, and a post-graduation degree in management and business administration (insurance and finance)
Other Directorships	First Inspiration Private Limited, Chatur Ideas Technologies Private Limited etc.

- The overall management of the company is satisfactory.
- The management and promoters have good experience.
- There is an evidence of the dual chairmanship, which is not favourable.
- Dharmesh Bhepndra Dattani (Promoter and CFO), is a qualified CA and holds 15+ years of experience.
- The senior management of the company consists of VP (Head of Operations – USA & India), VP (Head of Operations of domestic dental laboratory) and VP (Sales of the aligner division).

FINANCIAL SNAPSHOT

Statement of Profit and Loss				Amt in Crores
Particulars	FY 22	FY 23	FY 24	Sep-24
Revenue from Operations	136.84	161.63	193.56	116.78
Other Income	1.23	2.21	1.71	1.12
Total Income	138.07	163.84	195.26	117.90
Expenses				
Cost of Materials Consumed	30.64	30.63	46.42	26.24
Purchase of stock-in-trade	10.06	10.07	3.84	2.48
Changes in Inventories of WIP, Finished Goods & Stock in Trade	-1.04	1.10	-1.76	-0.46
Employee benefits expense	53.08	65.34	71.51	38.34
Finance Cost	3.57	4.09	4.95	2.60
Depreciation and Amortization expense	8.40	10.99	11.94	6.77
Other Expenses	38.70	45.53	49.77	27.45
Total Expenses	143.40	167.76	186.66	103.41
EBITDA	5.41	8.96	23.79	22.73
EBITDA Margin	3.96%	5.55%	12.29%	19.47%
Exceptional Items	9.39	0.35	0.09	6.62
Profit/(Loss) before tax	-14.71	-4.26	8.52	21.10
Tax Expense				
Current tax	-	0.20	1.79	0.97
Tax for earlier years	1.45	0.04	-0.01	-0.05
Deferred Tax	0.92	-0.01	-11.19	1.99
Total Tax Expense	2.37	0.22	-9.42	2.91
Profit/(Loss) after tax	-17.08	-4.49	17.94	18.20
Share of profit/loss of joint ventures and associates (net)	-0.15	0.60	8.89	5.25
Profit/(Loss) for the year from continuing operations	-17.23	-3.88	26.83	23.45
Loss before tax from discontinued operations	-1.45	-0.32	-1.60	-0.81
Tax income/ expenses from discontinuing operations	-	-	-	0.10
Loss after tax from discontinuing operations	-1.45	-0.32	-1.60	-0.71
Profit/(Loss) for the year	-18.68	-4.20	25.23	22.74
Net Profit Margin	-13.53%	-2.56%	12.92%	19.29%

Statement of Assets and Liabilities				Amt in Crores
Particulars	FY 22	FY 23	FY 24	Sep-24
EQUITY AND LIABILITIES				
1. Shareholders' funds				
Share Capital	0.31	0.31	0.31	5.56
Other Equity	20.76	17.48	42.16	61.37
Total Shareholder's Fund	21.07	17.79	42.47	66.94
Non-Controlling Interest	1.88	1.69	2.11	0.15
Total Equity	22.94	19.48	44.57	67.09
2. Non-current liabilities				
Financial Liabilities				
(i) Borrowings	10.38	11.30	15.14	21.98
(ii) Lease Liabilities	6.21	4.07	3.38	2.06
(iii) Other financial liabilities	1.15	0.95	0.81	0.71
Provisions	2.67	3.47	3.54	3.82
Total Non-current liabilities	20.41	19.79	22.86	28.57
3. Current liabilities				
Financial Liabilities				
(i) Borrowings	19.25	20.14	26.89	18.92
(ii) Lease Liabilities	2.84	3.20	4.37	3.99
(iii) Trade Payables				
(a) Outstanding Dues to MSME	2.11	1.63	2.52	2.04

Particulars	FY 22	FY 23	FY 24	Sep-24
(b) Outstanding Dues to other than MSME	24.53	20.88	13.29	11.55
(iv) Other Financial Liabilities	4.14	5.10	6.61	8.55
Provisions	6.16	6.20	10.86	13.24
Other current liabilities	-	-	0.40	3.34
Current tax liabilities	0.35	0.12	0.64	0.94
Group's liabilities associated with assets classified as held for sale	-	-	1.51	-
Total Current liabilities	59.39	57.27	67.09	62.57
Total Liabilities	79.80	77.06	89.95	91.13
Total Equity and Liabilities	102.75	96.54	134.52	158.22
ASSETS				
1. Non-current assets				
Property, Plant and Equipment	29.99	31.26	36.43	39.43
Right-to-use assets	8.69	6.89	7.22	5.53
Other Intangible Assets	0.28	1.14	1.62	1.83
Investment property	0.81	0.78	0.75	0.04
Investments in joint ventures and associates	0.15	0.30	5.56	6.52
Financial Assets				
(i) Other financial assets	2.53	2.48	2.56	4.06
Deferred Tax Assets (net)	0.14	0.15	11.26	9.33
Other Non-current Assets	-	-	-	0.11
Income Tax Assets (Net)	0.31	0.37	0.03	0.42
Total Non-Current assets	42.89	43.37	65.42	67.26
2. Current assets				
Inventories	29.50	24.23	24.72	23.44
Financial Assets				
(i) Trade receivables	20.37	20.42	24.90	42.79
(ii) Cash and cash equivalents	1.05	0.96	0.70	0.98
(iii) Bank balances other than (ii)	0.38	0.62	0.28	0.21
(iv) Other Financial Assets	4.00	0.94	1.42	2.39
(v) Loans	0.63	0.32	0.25	0.37
Other Current Assets	3.93	5.68	11.85	20.77
Total Current assets	59.86	53.17	64.12	90.95
Group's Assets classified as held for sale	-	-	4.98	-
Total Assets	102.75	96.54	134.52	158.22

Cash Flow Statement				Amt in Crores
Particulars	FY 22	FY 23	FY 24	Sep-24
Net Cash Flow from Operating Activities	-2.00	14.44	8.15	1.42
Net Cash Flow from Investing Activities	3.02	-9.39	-14.44	0.86
Net Cash Flow from Financing Activities	-4.03	-1.45	0.97	0.72

Key Ratios

Per Share Data	FY 22	FY 23	FY 24	FY 25*	Valuation Ratios (x)	FY 22	FY 23	FY 24	FY 25*
Diluted EPS	-3.56	-0.77	4.8	8.27	EV/EBITDA	9.45	5.50	3.60	5.85
BV per share	745.14	632.71	1,447.55	41.42	Market Cap / Sales	17.19	14.55	12.15	10.07
Operating Ratios					P/E	-	-	89.17	51.73
EBITDA Margins	3.96%	5.55%	12.29%	19.47%	Price to Book Value	0.57	0.68	0.30	10.33
PAT Margins	-13.53%	-2.56%	12.92%	19.29%	Solvency Ratios				
Inventory days	78.69	54.71	46.62	36.73	Debt / Equity	1.29	1.61	0.94	0.17
Debtor days	54.32	46.12	46.96	67.05	Current Ratio	1.01	0.93	0.96	1.45
Creditor days	227.67	212.78	112.48	92.15	Quick Ratio	0.51	0.51	0.59	1.08
Return Ratios					Asset Turnover	1.33	1.67	1.44	0.74
RoCE	-6.88%	-5.17%	17.58%	12.85%	Interest Coverage Ratio	-0.84	-0.60	3.13	6.14
RoE	-81.41%	-21.55%	56.60%	19.98%					

*Annualized

FINANCIAL ANALYSIS –

1. The top line has increased consistently over the years. For FY2023 it increased by 18.11% and for FY2024 it increased by 19.75% which was because of increase in revenue from laboratory business and aligner solutions business by growth in the number of units sold and the improvement in customer response to premium product offerings.
2. The net profit grew by 14.48 Cr in FY2023 (still in loss) which is due to decrease in overall expenses compared to revenue generated and in FY2024 it became profitable and increased by 700.83% as it also took into account of share of profit of Jointly Controlled Entity.
3. The PAT and EBITDA margin have also grown over the years and has seen a sudden increase in FY2024.
4. The RoCE and RoE have remained negative for FY22 and FY23 and has increased in FY2024.
5. The PE ratio has improved over the years.
6. The company had negative cash flow from operations in FY22.
7. The company had incurred loss in FY22 and FY23.

PEER ANALYSIS

Particulars	Laxmi Dental Limited			Poly Medicure Limited		
	FY 22	FY 23	FY 24	FY 22	FY 23	FY 24
NP Margin	-13.6%	-2.6%	13.0%	15.2%	15.5%	18.0%
EBITDA Margin	4.0%	5.5%	12.3%	26.5%	26.5%	29.3%
RoCE	-3.1%	-7.6%	17.6%	17.5%	19.3%	23.7%
ROE	-81.4%	-21.6%	56.6%	13.5%	14.4%	17.6%
EPS (INR)	-3.56	-0.77	4.80	15.28	18.69	26.91
P/E	-	-	89.17	61.05	50.97	59.06

- The company is not comparable to the peer mentioned as Poly Medicure's product portfolio consists of medical devices like infusion therapy, oncology, anesthesia and respiratory care, urology, gastroenterology, blood management and blood collection, surgery and wound drainage, dialysis, central venous access catheters, veterinary medical devices, and others. These products are completely different from the products offered by Laxmi Dental.
- The market cap of the company is low compared to its peer.

LEAD MANAGER TRACK RECORD -

The lead managers to the issue are Nuvama Wealth Management Limited, Motilal Oswal Investment Advisors Limited and SBI Capital Markets 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 –

Nuvama Wealth Management Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Carraro India Limited	1,250.00	704.00	Dec 30, 2024	613.15
2.	Senores Pharmaceuticals Limited	582.11	391.00	Dec 30, 2024	502.30
3.	DAM Capital Advisors Limited	840.25	283.00	Dec 27, 2024	357.20
4.	Suraksha Diagnostic Limited	846.25	441.00	Dec 06, 2023	350.30
5.	NTPC Green Energy Limited	10,000.00	108.00	Nov 27, 2024	116.40

The company has handled 22 mandates in the past three years (including the current year).

Motilal Oswal Investment Advisors Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Concord Enviro Systems Limited	500.33	701.00	Dec 27, 2024	700.85
2.	Niva Bupa Health Insurance Company Limited	2,200.00	74.00	Nov 14, 2024	76.96
3.	ACME Solar Holdings Limited	2,900.00	289.00	Nov 13, 2024	230.60
4.	P N Gadgil Jewellers Limited	1,100.00	480.00	Sep 17, 2024	637.15
5.	R K SWAMY Limited	423.56	288.00	Mar 12, 2024	248.20

The company has handled 14 mandates in the past three years (including the current year).

SBI Capital Markets Limited –

Sr. No.	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing Date	CMP* (INR)
1.	Ventive Hospitality Limited	1,600.00	643.00	Dec 30, 2024	698.25
2.	International Gemmological Institute (India) Limited	4,225.00	417.00	Dec 20, 2024	586.20
3.	One Mobikwik Systems Limited	572.00	279.00	Dec 18, 2024	549.10
4.	Suraksha Diagnostic Limited	846.25	441.00	Dec 06, 2023	350.30
5.	Afcons Infrastructure Limited	5,430.00	463.00	Nov 04, 2024	499.15

The company has handled 29 mandates in the past three years (including the current year).

*CMP for the above-mentioned companies is taken as of 11th Jan 2024.

As per the offer document, the above-mentioned mandates Carraro India, ACME Solar Holdings and R K SWAMY has opened at a discount and remaining all have opened at a premium on the listing day.

Recommendation -

Laxmi Dental Limited has been in the industry since 2004 and has vast experience in the industry.

The management overview of the company is satisfactory.

The P/E on a post-IPO annualized basis is 51.73 times which makes it aggressively priced.

The company is the second-largest player in the domestic laboratory business and the largest export laboratory by revenue for Fiscal 2024. It is the only aligner player in India that is fully vertically integrated with end-to-end capabilities. It has strong global presence especially in US and it is catering their products to over 95 countries. The company's products are backed by USFDA accreditation.

Although the top line of the company has increased consistently over the years and looks sustainable, the company had incurred loss in FY22 and FY23 and the profitability margins of the company have remained negative for these years. The RoCE and RoE have also remained negative for these years. The company has seen a sudden increase in FY24 which might not be sustainable in the long run. The company had negative cash flow from operations for FY22.

The promoter holding post issue is 42.68% which reduces investors' confidence in the company. Also, majority of the IPO issue is offer for sale.

Thus, investors can **AVOID** this IPO for the time being and can wait for company's performance and further updates.

Disclaimer

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The analysis and recommendations are based on the current market and company-specific scenario, along with the data available in the prospectus. Market and company-specific conditions may change after the company's listing, potentially impacting its performance and outlook. We will not be providing any follow-up reports or updates on this analysis post-listing.

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