



## VASA DENTICITY LIMITED.

### SME IPO Note

(Note: All the information in this note is taken from RHP)

#### 100% Book Building Issue

#### Snapshot

Vasa Denticity is a Dental Products E-Commerce company, having 10,000+ sku's, 30 owned Brands, 300 Domestic & International Brand tie ups. The Company is selling its products through online portal "Dentalkart.com" & through mobile application "Dentalkart". The Company has a centralized distribution hub of 13,000 sq.ft. in Gurgaon. & has 184 employees. Dental Industry is bifurcated into Consumables, Dental equipments, Dental Instruments & Vasa Denticity has its products in each of these segments. The size of Indian Dental market product wise in 2022 is approx \$2.14 billion with India having the second highest dentists globally. In FY21-22, the Company has delivered over 2 lakhs orders in 28 States & 6 Union Territories of India.

#### Objects of the offer

The Offer includes a fresh issue of upto 31,74,000 Equity Shares and Offer for Sale of 10,50,000 equity shares by the selling shareholders. Company with respect to the Fresh Issue, is looking towards funding the following objects:

1. To Meet Working Capital Requirements;
2. Expenditure to enhance visibility and awareness of company's brands .

#### Investment Rationale

**Financial Performance:** Company has posted ROE of 45% & ROCE of 53% in 9 months ended Dec 31,2022. Company's topline has grown at CAGR of 59% from Rs 3041 lacs to Rs 7692 lacs & EBIDTA has grown at CAGR of 410% from Rs 22.84 lacs to Rs 595.01 lacs from FY20-FY22. Company's number of orders has grown at CAGR of 49% from 91316 in FY20 to 202335 in FY22.

**Diversified range of products with 30 owned brands:** Over the years, company have created an extensive portfolio of over 10,000 SKU's dental materials for diagnosing, treating and preventing dental issue and parts, 30 owned Brands, 300 Domestic & International Brand tie ups. Company's portfolio includes international brands such as Mani, 3M, Dentsply, Ivoclar, Woodpecker etc as well as non branded product. In June 2022, company have rented a warehouse in Bengaluru which is expected, will reduce the delivery time and transportation cost of the product especially southern part of India

**Indian Dental Market:** The size of Indian Dental market product segment wise in year 2022 was approx \$2.14 billion which is expected to reach \$5.32 billion by year 2032 , thus expected to grow at CAGR of 9.5% from year 2022-2032. In year 2022, market penetration of Online Indian Dental platform as compare to conventional is 3% which is expected to reach 15% by year 2026.

#### IPO DETAILS

Price Band (Rs./Share)	121-128
Opening date of the issue	23 <sup>rd</sup> May 2023
Closing Date of the issue	25 <sup>th</sup> May 2023
Issue size	42,24,000 Equity Shares
Fresh Issue	31,74,000 Equity Shares
Offer For Sale	10,50,000 Equity Shares
Reserved For Market Makers	2,16,000 Equity Shares
Net Issue To Public	4,00,8000 Equity Shares
Face Value	10
Bid Lot	1000
Listing	NSE Emerge
Promoter Holding Pre Issue	95.00%
Promoter Holding Post Issue	69.62%
Total No of Shares Pre Issue	1,28,42,208 Equity Shares
Total No of Shares Post Issue	1,60,16,208 Equity Shares

#### Book Building

QIBs (Including Anchor)	2,002,000 Equity Shares
Anchor Investor Portion	1,200,000 Equity Shares
Net QIB	8,02,000 Equity Shares
Non-Institutional	6,02,000 Euity Shares
Retail	1,404,000 Equity Shares
Lead manager	Hem Securities Ltd
Registrar to the issue	Mas Services Ltd

#### Valuation

P/E at price Rs 128 /share <sup>(1)</sup>	24.56
Industry Average <sup>(2)</sup>	34.02
EPS (FY22) <sup>(3)</sup>	4.43

1.On Annualized 9 Months ended Dec'22 PAT on Post Issue Eq Capital Basis

2.Source: RHP

3 Source: RHP

### Background

#### Digital-first omnichannel distribution with efficient distribution Network

In the F.Y. 2021- 22, company have served over 2 lakh orders placed by over 61,000 customers on its website, mobile application and directly. These orders have been placed from all the 28 states and 6 Union Territories of India.

#### Founder-led company supported by a professional management team

The Promoters of company are Dr. Vikas Agarwal, Sandeep Aggarwal, Manish Kumar & Nakul Varshney . Dr.Vikas Agarwal, is promoter and chairman & Managing Director of company. He has been associated with the company since incorporation. He has completed his Bachelor of Dental Surgery from University of Delhi, in 2011. He has a work experience of around 10 years in the field of Dental Industry. Sandeep Aggarwal , promoter is the whole time Director & Chief Financial Officer (CFO) of company. He has been associated with the company since incorporation. & has completed his Bachelor of Technology in Computer Science & Engineering from the LNM Institute of Information Technology, Jaipur, Rajasthan in 2013. He has a work experience of over 10 years in the Dental Industry .



## Background

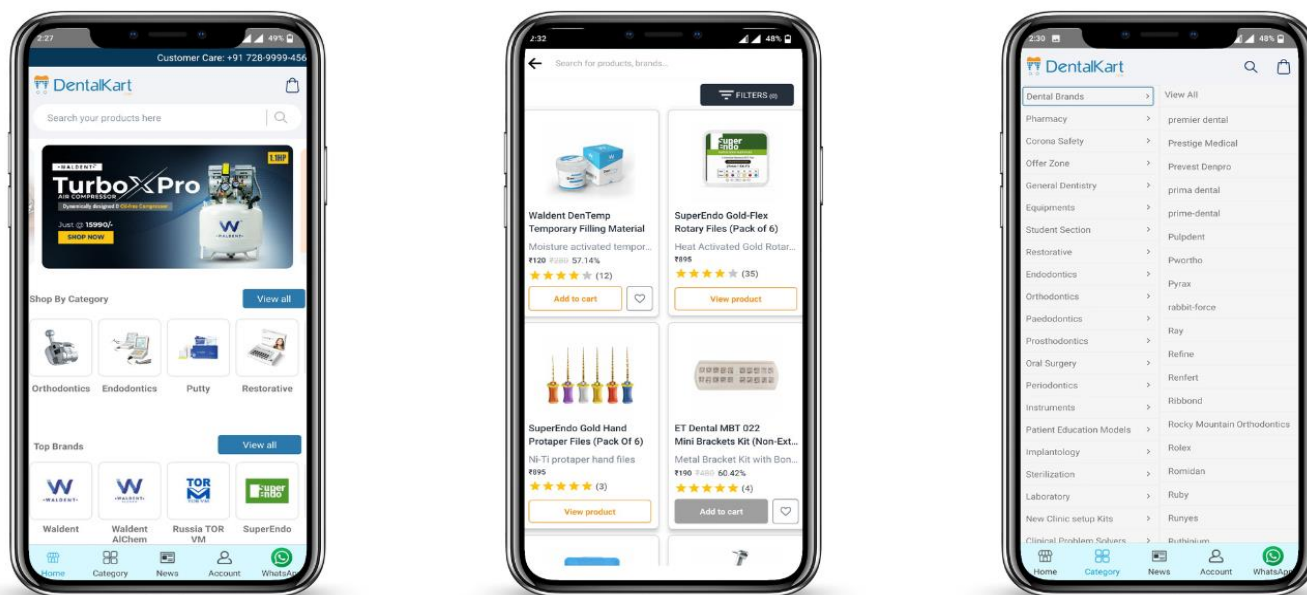
Through its website and mobile application - "Dentalkart.com", company sell a broad range of dental products including dental consumables such as adhesives, filling materials, and impression materials; dental equipment such as chairs, x-ray machines, and autoclaves; and dental instruments such as forceps, probes, and mirrors. Apart from third party brands, company also market and sell under its own private label portfolio of cost-effective, high-quality dental products in the areas of orthodontics, endodontics and oral surgery such as Metal Bracket Kit, EDTA (Ethylenediaminetetraacetic acid), dental instrument etc.

Company also have a portfolio of more than 30 owned brands, which are manufactured/procured from third parties based on the specifications built by company through its dedicated research and development team. For sourced products, company have dedicated team to undertake inspection and ensure that such products are built to suit its specifications in terms of design and quality. Company's owned brands are available on its online channels, as well as at third party platforms such as Amazon and Flipkart. Company also provide after sales service in relation to its products. Company is accomplished to deliver the products across India and overseas with the help of dedicated fulfillment center in Gurugram and third-party logistics services.

**Detail of Orders, Customers and Average Revenue per Order for the period/years indicated below:**

Particulars	As of and for the year/period ended			
	Dec 31,2022	FY 2021-22	FY 2020-21	FY 2019-20
Number of Orders	237603	202335	113640	91316
Number of Customer served	61516	61465	40164	32402
Revenue from operations (Rs. in lakhs)	8728.59	7692.05	4007.08	3041.81
Average Revenue per Order (in Rs.)	3673.60	301.64	3526.12	3331.08

## Mobile Application Walkthrough (Dentalkart)



Company also undertake various marketing initiatives to engage with its customers and reward their loyalty. Through its customer loyalty program members enjoy exclusive offers and discounts, complimentary gifts, free shipping. As on December 31, 2022, company had cumulative downloads of more than 2 Lakhs. Its users can also earn rewards points by signing up on company's platforms, by shopping products, writing reviews, and referring new users to its platforms which can be redeemed on further purchases.


**VASA DENTICITY LIMITED.**
**Requirement of Funds and Utilization of Net Proceeds**

S.No	Particulars	Amt. (Rs. In Lakhs)
1.	To Meet Working Capital Requirements	2600.00
2.	Expenditure to enhance visibility and awareness of company's brands	300.00
3.	General Corporate Purpose	{}

**Details of the Net Proceeds**
**1.Expenditure to enhance visibility and awareness of company's brands**

Company own the "Dentalkart" brand and have also crafted a portfolio of over 30 owned brands, such as Waldent, Endoking, SuperEndo UUortho etc. Company's owned brands play a key role in increasing the assortment of products for its customers and have a high recall and function as independent brands. The manufacturing for company's owned portfolio brands is carried out by third party vendors and all its brands are available on its online platform. Company have historically expends significantly towards marketing and promotions with a view to enhance the visibility of all its brands for the purpose of customer acquisition and retention. This consists of general advertising, marketing and branding initiatives on digital and offline platforms. Over the years, as company's business has grown, its marketing strategies have evolved. In light of the above, company intend to continue its focus on marketing and promotional activities to strengthen its existing brands and also establish and promote new brands, with the objective of reaching out to new as well as existing costumer, strengthen company's engagement with them as well as promote company's owned brands. Company plan to continue expenditure in its branding activities on historically successful mediums, while also expanding its marketing presence to capture shifts in costumer media consumption habits, to increase company's brands' awareness and brand affinity to attract more costumer on its online platform. Company intend to utilize Rs. 300 Lakhs from the Net Proceeds towards funding its future marketing initiatives.

**2. To Meet Working Capital Requirements:**

Company's business is working capital intensive as the major capital is invested in inventories. Company proposes to utilize ₹ [●] lakhs of the Net Proceeds in Fiscal 2024 towards its working capital requirements. The balance portion of company working capital requirement shall be met from the working capital facilities availed and internal accruals. The incremental and proposed working capital requirements and key assumptions with respect to the determination of the same based on Restated Financial Statements are mentioned below:

*(Rs in Lakhs)*

Particulars	Audited				Provisional	Projected
	March 31,2020	March 31,2021	March 31,2022	December 31,2022	March 31,2023	March 31,2024
<b>Current Assets</b>						
Inventory	228.87	277.61	993.08	1636.35	1833.37	4188.22
Trade Receivables	79.81	76.12	135.83	181.19	515.96	981.62
Short Term loan & Advances	65.79	148.02	411.58	374.37	486.68	632.69
Other Current Assets	15.73	16.13	19.79	18.46	20.31	22.34
<b>Total - Current Assets(I)</b>	<b>390.20</b>	<b>517.88</b>	<b>1560.28</b>	<b>2210.39</b>	<b>2856.32</b>	<b>5824.87</b>
<b>Current Liabilities</b>						
Trade Payables	291.19	281.63	507.08	616.99	705.14	1047.06
Other Current Liabilities	71.23	110.96	373.59	382.61	401.74	401.74
Short Term provisions	5.50	13.93	85.33	212.74	62.62	78.98
<b>Total -Current Liabilities (II)</b>	<b>367.92</b>	<b>406.52</b>	<b>966.00</b>	<b>1212.34</b>	<b>1169.50</b>	<b>1527.78</b>
<b>Net Working Capital Requirement (I-II)</b>	<b>22.28</b>	<b>111.36</b>	<b>594.28</b>	<b>998.05</b>	<b>1686.82</b>	<b>4297.09</b>
Funding Pattern						
<b>Short Term borrowings &amp; Internal Accruals</b>	22.28	111.36	594.28	998.05	1686.82	1697.09
<b>IPO Proceeds</b>						<b>2600.00</b>



## VASA DENTICITY LIMITED.

### Business Strengths

***A one stop shop for Dental products with a diverse range of products across customer preferences***

Over the years, company have created an extensive portfolio of over 10,000 SKU's dental materials for diagnosing, treating and preventing dental issue and parts ranging from Consumable items such as filling materials, and impression materials; dental equipment such as chairs, x-ray machines, and autoclaves; and dental instruments such as forceps, probes, and mirrors and various other consumables, Instruments and equipments. Company's portfolio includes over 300 brands including international brands such as Mani, 3M, Dentsply, Ivoclar, Woodpecker etc as well as non branded products. Company have crafted a portfolio of more than 30 owned brands such as Waldent, Endoking, SuperEndo, UUortho etc which consists of Brackets, Cotton holders, Cotton products, endomotors etc. Company's owned brands play a key role in increasing the assortment of products for its customers. Many of company's owned brands have a high recall and function as independent brands. The manufacturing for such brands is carried out by third party vendors including from overseas manufactures. Company's owned brand portfolio is executed by identifying gaps in the supply chain of the dental market, both across requirements of diverse customers and multiple price points and building brands to suit these needs, with a focus on high quality products. For Fiscal 2022 and nine months period ended December 22, company's revenue from sale of owned brand products were Rs. 3542.94 lakhs and Rs. 4076.71 lakhs respectively which constituted 46.06% and 46.71% of total revenue from operations. Company have undertaken the diversification of its product portfolio on the basis of the needs of the customers, and company regularly seek their insights and feedback to ensure that its product range is optimized to ensure.

***Digital-first omnichannel distribution***

Company's online network allows it to be present across various touchpoints and serve its customers wherever they shop. In the F.Y. 2021- 22, company have served over 2 lakh orders placed by over 61,000 customers on its website, mobile application and directly. These orders have been placed from all the 28 states and 6 Union Territories of India. Company's diverse customer base helps it limit its dependency on a specific customer segment or geography thereby reducing financial and concentration risk. Company is active on various social media platforms like Facebook, Instagram & YouTube and has over 94,000 subscribers/followers over these platforms on cumulative basis. These platforms enable company to spread awareness of latest technological products and promote its offerings and enable company to connect with its target audience.

***Efficient distribution Network***

Company distribute its products from its centralized distribution network. Company strive to maintain optimal inventory levels in order to satisfy customer demand for prompt delivery and complete order fulfillment. These inventory levels are managed on a daily basis with the aid of its ERP systems. Once an order is entered, it is electronically transmitted to the distribution center nearest the customer's location for order fulfillment. Further, in June 2022, company have rented a warehouse in Bengaluru which is expected, will reduce the delivery time and transportation cost of the product especially southern part of India.

***Founder-led company supported by a professional management team***

Company's sustainable growth in business has been achieved through its founder-led management team with relevant experience and complementary skill sets. Company is led by its founders cum promoters, Dr. Vikas Agarwal and Sandeep Aggarwal who started the business in 2016. Their experience of around 10 years in the industry along with entrepreneurial spirit helped company to grow its business as well as company. Company's promoters are complemented by a professional management team which shares the same vision and values as them to drive its growth. Company's management team has substantial experience in the sectors it serve, which enables company to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively respond to changes in the market conditions.





## Business Strategies

### 1. Invest in company's owned brand portfolio

According to statistics from the Dentist Council of India (DCI), India is the second largest producer of registered dentists, with over 294,000 as of February 2023. (Source: "Marketyzers Report"). The success of company's owned brand portfolio so far has come from identifying market gaps and building innovative products to address customer needs. Company aim to increase the product offerings in its current owned brand portfolio across its business verticals and add newer long-term focused brands. At the same time, company intend that its owned brands portfolio will continue to uphold the product quality and authenticity standards that company stand for. For Fiscal 2022 and nine months period ended December 22, company's revenue from sale of owned brand products were Rs. 3542.94 lakhs and Rs. 4076.71 lakhs respectively which constituted 46.06% and 46.71% of total revenue from operations.

### 2. Continue to acquire new customer and increase customer loyalty

Company have built its customer base over the years and continue to aim to attract new customers including hospitals, clinics and medical establishments. The digital platform and social media have enabled company to reach and engage with a wider audience and also customise product offering to its prospective customers. Company's customer-focused products and product information increase customer confidence in its products and influences company's customers' buying decisions. Company intend to continue its offline marketing initiatives. Company's offering of a broad range of products and support service can help drive improved workflow that can assist company to retain and grow its customer base efficiently. Company's strategy is to provide its customers with a comprehensive range of value for money products and maintain optimal customer service standards. To generate brand awareness and traffic on company's platform, company intend to continue to carry out digital marketing activities such as Google Ads & Facebook Ads and also aim to utilize content-based marketing through content articles, search engine optimization and social media presence. Company have historically incurred significant expenditure towards advertisement to increase customer acquisition. Company's marketing/advertising expenses were Rs 103.16 lakhs, Rs 103.27 lakhs, Rs 100.57 lakhs and Rs 60.89 lakhs respectively for the period ended December 31, 2022 and Fiscal Year 2022, 2021, 2020, representing 1.18%, 1.34%, 2.51% and 2.00% respectively of company's total revenue from operations.

### 3. Focus on consistently meeting quality standards and R&D

Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desire and good quality products help company in enhancing customer trust and maintaining long term relationships with customers. R&D is critical in maintaining company's competitive position, addressing changing customer preference and industry developments, developing innovative processes and developing costs and operating efficiencies. Company intend to increase its initiatives in research and development in order to enhance its diversified product portfolio in both the domestic and international markets. As part of company's strategy, company intend to set up a dedicated R&D unit for dental materials and new line of products at the proposed facility. Investment in R&D provides company a long-term growth opportunity, and accordingly, company intend to continue to make investments in development of products which have higher market demand.

### 4. Continue to grow platform by offering new products and services

Company offer a wide variety of dental products, including consumables, instruments, equipment, and accessories, all under one roof. This diverse range of products will attract and help to retain customers and increase revenue streams. Company intend to continue to devote substantial resources towards expanding its capabilities to offer new products and services. Company also have a portfolio of around of over 250 brands, which are manufactured/procured from third parties based on the specifications built by company through its dedicated research and development team. Company's R & D team also helps it to identify the product gap between what is available and what needs to be served. According to statistics from the Dentist Council of India (DCI), India is the second largest producer of registered dentists, with over 294,000 as of February 2023 (Source: "Marketyzers Report"). Continuously increasing such number of registered dentists will eventually increase the demand of the products. Company is focused on enlarging its own brand products. Company will continue to introduce new and updated version of its existing products along with that of new products with latest technology. A continuous review of company's portfolio according to its evolving understanding need of industry and technology will help company to maximize its sales.

## Shareholding Pattern of Promoter & Promoter Group

Shareholders	No. of Shares Pre Issue	Pre-Issue Shareholding (%)	No. of Shares Post Issue	Post-Issue Shareholding (%)
<b>Promoters (A)</b>				
Dr. Vikas Agarwal	69,54,000	54.15	6,355,500	39.68
Sandeep Aggarwal	46,36,000	36.10	4,237,000	26.45
Manish Kumar	3,66,000	2.85	334,500	2.09
Nakul Varshney	2,44,000	1.90	223,000	1.39
<b>Total (A)</b>	<b>1,22,00,000</b>	<b>95.00</b>	<b>1,11,50,000</b>	<b>69.62</b>
<b>Promoter Group</b>	Nil	--	Nil	--
<b>Total (A+B)</b>	<b>1,22,00,000</b>	<b>95.00</b>	<b>1,11,50,000</b>	<b>69.62</b>

Source: Company RHP



## Industry Overview

### DENTAL CARE INDUSTRY OVERVIEW:

#### INDIAN DENTAL CARE INDUSTRY OVERVIEW

Certain demographic and epidemiological changes are expected to increase healthcare demand while also influencing the types of health services required in the future. One such development is increased income, which can result in roughly 73 million Indian households entering the middle class over the next ten years, encouraging their purchasing power, especially in healthcare.

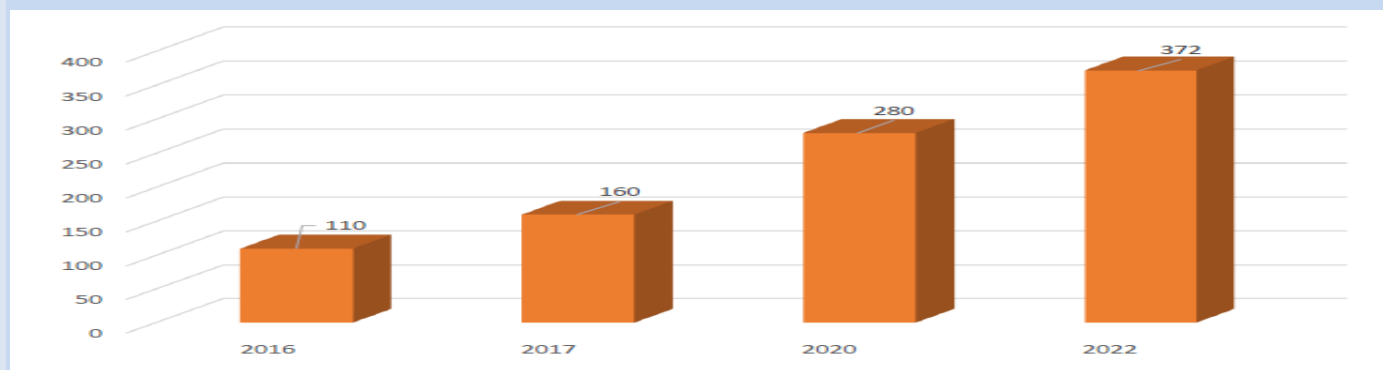
By 2026, it is expected that 8% of Indians will earn more than USD 12,000 per year. Another noteworthy trend is the rise in life expectancy and the ageing of the population. India's life expectancy is expected to exceed 70 years by 2022, while the country's population is expected to grow to 1.45 billion by 2028, making it the world's most populous country.

While India has the largest population of youth of any country in the world, the number of senior citizens (those aged 60 and more) is also increasing. In fact, it is predicted that by 2041, the proportion of senior citizens in India's population will have doubled, from 8.6% in 2011. India is anticipated to have 300 million senior persons by the year 2050.

The Indian dental industry consists mainly of independent clinics operated by individual dentists. However, there has been a recent emergence of dental specialty chains in major cities of India, which are often supported by venture capital or private equity funding. These chains have contributed significantly to the growth of the industry by promoting the use of advanced, high-quality tools, fittings, and equipment. Indian companies primarily focus on the production of clinical disposables, instruments, disinfectant tools, sterilizing equipment, impression materials, and temporary materials for tooth filling.

The high-end segment of the market, such as dental implants, fittings, and prosthetics, is mainly dominated by foreign players with local presence in India, although many Indian companies also manufacture under license for foreign manufacturers while simultaneously engaging in trade and importing activities. Currently, there are around 5,000 dental laboratories and 300 dental institutes providing basic and advanced oral health care. As the number of dental chains increases, the organized dental clinics' share is expected to grow across the country.

#### GROWTH TREND OF INDIA'S HEALTHCARE SECTOR (USD BILLION)



#### MARKET PENETRATION: ONLINE DENTAL PLATFORM VS CONVENTIONAL (2022 & 2026)





## Industry Overview

### DENTAL INDUSTRY MARKET BY PRODUCT INSIGHTS & TRENDS

Based on product, the market has been segmented into consumables, dental equipment and dental instrument

PRODUCT DYNAMICS (USD MILLION)



#### A) CONSUMABLES -INDIA MARKET OVERVIEW

Dental consumables are products that are disposable or used up during treatment. They are used in the field of dentistry to provide patient care, diagnosis, and treatment. Consumables include gloves, impression materials and trays, endodontic files or points, polishing cups and brushes, restorative products, protective eyewear, adhesives and bonds, implants, prosthetics, braces, chemicals, bur, etc.

CONSUMABLES MARKET ESTIMATES AND FORECASTS,

Market Size	2020	2021	2022	2024	2028	2030	2032	CAGR (2023–32)
Revenue (USD Million)	1,284.71	1,480.37	1,633.15	1,956.16	2,837.97	3,428.60	4,149.71	9.83%

INDIA CONSUMABLES MARKET ESTIMATES AND FORECASTS, 2020–2032, (USD MILLION)

Market Size	2020	2021	2022	2024	2028	2030	2032	CAGR (2023–32)
Southern	475.34	547.25	603.18	721.18	1042.51	1257.21	1518.89	9.73%
Northern	269.79	312.03	345.50	416.91	613.84	747.09	910.93	10.24%
Western	244.10	281.83	311.54	374.65	547.90	664.58	807.58	10.05%
Eastern	156.73	180.24	198.45	236.75	340.73	410.00	494.25	9.61%
Central	81.32	93.24	102.35	121.37	172.58	206.42	247.34	9.28%
Northeast	57.43	65.78	72.13	85.31	120.40	143.30	170.72	9.04%
Total	1,284.71	1,480.37	1,633.15	1,956.16	2,837.97	3,428.60	4,149.71	9.83%



## Industry Overview

### B) DENTAL EQUIPMENT

Dental equipment refers to the tools used by dentists and other dental professionals to diagnose, treat, and prevent oral health problems. These are certain technologies and utility systems that power a portable dental operator. Dental equipment includes amalgamators, autoclaves, curing lights, dental carts, electrosurgery, optic light packs, portable micromotors, scaler tips and inserts, water distiller, x-ray equipment, patient chairs, operatory cabinetry, sterilization equipment, etc.

DENTAL EQUIPMENT MARKET ESTIMATES AND FORECASTS, 2020–2032, (USD MILLION)

Market Size	2020	2021	2022	2024	2028	2030	2032	CAGR (2023–32)
Revenue (USD Million)	262.56	300.73	329.78	390.29	552.78	659.85	789.10	9.17%

INDIA DENTAL EQUIPMENT MARKET ESTIMATES AND FORECASTS, 2020–2032, (USD MILLION)

Market Size	2020	2021	2022	2024	2028	2030	2032	CAGR (2023–32)
Southern	97.15	111.17	121.80	143.89	203.06	241.96	288.83	9.07%
Northern	55.14	63.39	69.77	83.18	119.57	143.78	173.22	9.58%
Western	49.89	57.25	62.91	74.75	106.72	127.90	153.57	9.39%
Eastern	32.03	36.62	40.07	47.24	66.37	78.91	93.98	8.95%
Central	16.62	18.94	20.67	24.21	33.62	39.73	47.03	8.63%
Northeast	11.74	13.36	14.57	17.02	23.45	27.58	32.46	8.39%
Total	262.56	300.73	329.78	390.29	552.78	659.85	789.10	9.17%

### C) DENTAL INSTRUMENT

Dental instruments are devices used by dental practitioners during dental procedures to diagnose, treat, or prevent oral health problems for inspecting, adjusting, treating, restoring, and removing teeth and related oral structures. Dental instruments come in a wide variety of shapes and sizes, each designed for a specific purpose. Dental instruments include amalgam carriers and instruments, articulating forceps, burnishers, cartridge syringes, carvers, elevators, excavators, intraoral mirrors, orthodontic pliers, etc.

DENTAL INSTRUMENT MARKET ESTIMATES AND FORECASTS, 2020–2032, (USD MILLION)

Market Size	2020	2021	2022	2024	2028	2030	2032	CAGR (2023–32)
Revenue (USD Million)	139.25	158.40	172.46	201.08	275.75	323.45	379.71	8.26%




**VASA DENTICITY LIMITED.**
**Industry Overview**

INDIA DENTAL EQUIPMENT MARKET ESTIMATES AND FORECASTS, 2020–2032, (USD MILLION)

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Southern	97.15	111.17	121.80	143.89	203.06	241.96	288.83	9.07%
Northern	55.14	63.39	69.77	83.18	119.57	143.78	173.22	9.58%
Western	49.89	57.25	62.91	74.75	106.72	127.90	153.57	9.39%
Eastern	32.03	36.62	40.07	47.24	66.37	78.91	93.98	8.95%
Central	16.62	18.94	20.67	24.21	33.62	39.73	47.03	8.63%
Northeast	11.74	13.36	14.57	17.02	23.45	27.58	32.46	8.39%
Total	262.56	300.73	329.78	390.29	552.78	659.85	789.10	9.17%

**RISING PREVALENCE OF DENTAL DISORDERS IN INDIA**

- According to a study conducted by the National Center for Biotechnology Information (NCBI) in 2021, the research included 13,662 adult participants in total. Whole tooth mortality, defined as the loss of all 32 teeth, was found to be 10.7%, whereas partial tooth mortality, defined as the presence of one or more teeth, was found to be 58.8%.
- Growing prevalence of tooth loss in India, is generating a significant demand for dental implant materials such as titanium alloys, zirconia, and ceramic materials. This has created an opportunity for manufacturers of dental implant materials to expand their presence in the Indian market and to develop products specifically for the Indian population.
- Prevalence of oral diseases has significantly increased in India over the years. According to the India Oral Health Profile published by the World Health Organization (WHO) in November 2022, the prevalence of untreated caries of deciduous teeth in children between 1-9 years was 43.3%, while that of permanent teeth in children over the age of 5 was 28.8%. Prevalence of severe periodontal disease and edentulism in individuals over 15 and 20 years of age are 21.8% and 4.0% respectively.
- Dental disorders are becoming increasingly common in India, with a large proportion of the population experiencing issues such as tooth decay, gum disease, and tooth loss. This has created a growing demand for dental materials such as composites, cements, and ceramics, which are used in restorative and prosthodontic procedures.
- According to the National Statistical Office (NSO)'s Report, India's elderly population (aged 60 and above) is projected to touch 194 million in 2031 from 138 million in 2021, a 41 per cent increase over a decade. As people age, they are more likely to experience dental issues such as tooth loss, periodontitis, and oral cancer. This has led to an increase in demand for dental consumables, equipment and instrument that can be used in restorative and prosthodontic and other procedures for older adults.

**Peer Comparison**

Name of Company	CMP(Rs.)	Face Value(Rs.)	EPS Basic*(Rs.)	PE	RoNW (%)*	Book Value(Rs.)	Total Income(Rs.lakhs)
Vasa Denticity Ltd		10.00	4.43		90.05	4.92	7692.05
<b>Peer Group</b>							
Prevest Denpro	328	10.00	9.64	34.02	20.26	47.58	3973.5

**Notes:**

Source – Annual report of the company for the year 2022 and stock exchange data dated April 13, 2023. For Company, taken CMP as the Offer price of equity share. Further, P/E Ratio is based on the CMP of the respective scrip's. (ii) The EPS, NAV, RoNW and revenue from operations of the Company are taken as per Restated Financial Statement for the Financial Year 2021-22 as adjusted with the effect of Bonus Issue. (iii) NAV per share is computed as the closing net worth divided by the closing outstanding number of paid up equity shares as adjusted with the effect of Bonus Issue. (iv) P/E Ratio of the company is based on the Annual report of the company for the year 2022 and stock exchange data dated April 13, 2023. (v) RoNW has been computed as net profit after tax divided by closing net worth. (vi) Net worth has been computed in the manner as specified in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018. (vii) The face value of Equity Shares of Company is Rs. 10/- per Equity Share and the Offer price is [●] times the face value of equity share.


**(RESTATED STATEMENT OF ASSETS & LIABILITIES)**

(Rs. In Lakhs)

Particulars	For the 9 month period ended December 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A)EQUITYANDLIABILITIES</b>				
<b>Shareholders' Funds</b>				
a) Share Capital	20.00	20.00	20.00	20.00
b) Reserves & Surplus	1082.66	580.76	39.78	7.20
Share Application money pending allotment	25.00			
<b>Non-Current Liabilities</b>				
a) Long Term Borrowings	79.03	143.29	--	--
b) Long Term Provisions	88.87	52.86	27.51	22.09
<b>Current Liabilities</b>				
a) Short Term Borrowings	187.28	183.00	197.24	64.57
b) Trade Payables	--	--	--	--
(i) total outstanding dues of micro enterprises and small enterprises; and	134.54	170.16	119.29	115.44
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	482.45	336.92	162.34	175.75
c) Other Current Liabilities	382.61	373.59	110.96	71.23
d) Short Term Provisions	212.74	85.33	13.93	5.50
<b>Total</b>	<b>2695.18</b>	<b>1945.91</b>	<b>691.05</b>	<b>481.78</b>
<b>B)ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant & Equipment and Intangible Assets				
(i) Property, Plant & Equipment	73.89	79.08	44.05	32.20
(ii) Intangible Assets	46.54	16.47	3.20	4.08
(b) Deferred Tax Assets (Net)	26.44	13.61	7.19	5.34
(c) Long Term Loans & Advances	117.65	120.52	4.44	0.41
<b>Current Assets</b>				
a) Inventories	1636.35	993.08	277.61	228.87
b) Trade Receivables	181.19	135.83	76.12	79.81
c) Cash and Cash equivalents	220.29	155.95	114.29	49.55
(d) Short-Term Loans and Advances	374.37	411.58	148.02	65.79
(e) Other Current Assets	18.46	19.79	16.13	15.73
<b>Total</b>	<b>2695.18</b>	<b>1945.91</b>	<b>691.05</b>	<b>481.78</b>


**VASA DENTICITY LIMITED.**
**(RESTATED STATEMENT OF PROFIT & LOSS)**

(Rs. In Lakhs)

Particulars	For the 9 month period ended December 31, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue From Operations	8728.59	7692.05	4007.08	3041.80
Other Income	28.52	22.03	10.64	3.33
<b>Total Income (A)</b>	<b>8757.11</b>	<b>7714.08</b>	<b>4017.72</b>	<b>3045.13</b>
<b>Expenditure</b>				
Purchase of stock-in-trade	7201.56	6485.54	3425.01	2457.99
Changes in stock-in-trade	-643.27	-715.47	-48.74	-29.07
Employee Benefit Expenses	616.33	448.38	165.70	239.07
Finance Cost	33.50	49.91	6.42	8.89
Depreciation and Amortisation Expenses	36.25	32.56	9.28	7.86
Other Expenses	813.54	878.59	415.78	350.97
<b>Total Expenditure (B)</b>	<b>8057.91</b>	<b>7179.51</b>	<b>3973.45</b>	<b>3035.71</b>
<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax</b>	<b>699.20</b>	<b>534.57</b>	<b>44.27</b>	<b>9.42</b>
Exceptional item	--	--	--	--
<b>Profit/(Loss) Before Tax (C)</b>	<b>699.20</b>	<b>534.57</b>	<b>44.27</b>	<b>9.42</b>
<b>Tax Expense:</b>				
Current Tax	210.13	83.70	13.55	5.45
MAT Credit Entitlement	--	-83.70	--	--
Deferred Tax	12.83	6.41	1.86	5.47
<b>Profit/(Loss) after tax</b>	<b>501.90</b>	<b>540.98</b>	<b>32.58</b>	<b>9.44</b>

**Key Performance Indicators of company**

(Rs. In Lakhs except percentages and ratios)

Key Financial Performance	Dec 31, 2022*	FY 2021-22	FY 2020-21	FY 2019-20
<b>Revenue from operations</b>	8728.59	7692.05	4007.08	3041.80
<b>EBITDA</b>	740.43	588.04	48.22	19.42
<b>EBITDA Margin</b>	8.48%	7.64%	1.20%	0.64%
<b>PAT</b>	501.90	540.98	32.58	9.44
<b>PAT Margin</b>	5.75%	7.03%	0.81%	0.31%
<b>Net Worth</b>	1102.66	600.76	59.78	27.20
<b>RoE(%)</b>	45.52%	90.05%	54.50%	34.71%
<b>RoCE (%)</b>	53.52%	62.30%	19.29%	16.23%

\*:Not Annualized

**Notes:**

(1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income

(4) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

(5) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

(6) Net worth means the aggregate value of the paid-up share capital and all reserves &amp; surplus of company

(7) Return on Equity is ratio of Profit after Tax and Shareholder Equity

(8) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current &amp; non-current}



**(RESTATED CONSOLIDATED CASH FLOW)**

(Rs. In Lakhs)

<b>Cash Flow Statement</b>	<b>For the 9 month period ended December 31, 2022</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>(A) Cash Flow from operating Activities:</b>				
Net profit before tax	699.20	534.57	44.27	9.42
Adjustment for:				
Interest Income	(3.17)	(6.63)	(5.82)	--
Depreciation & Amortization	36.25	32.56	9.28	7.86
Foreign exchange gain/loss	(24.13)	(8.45)	--	--
Finance cost	33.50	49.91	6.42	8.89
<b>Operating profit before working capital changes</b>	<b>741.65</b>	<b>601.96</b>	<b>54.15</b>	<b>26.17</b>
Increase/ (Decrease) in Trade Payables	134.04	233.90	(9.56)	129.92
Increase/ (Decrease) in other Current Liabilities	9.02	262.62	39.73	29.35
Increase/ (Decrease) in Provisions	36.99	26.60	5.75	12.74
(Increase)/ Decrease in Inventories	(643.27)	(715.47)	(48.75)	(29.07)
Decrease/(Increase) in trade Receivables	(45.36)	(59.70)	3.69	(17.27)
Decrease/(Increase) in Short Term Loans & Advances	37.21	(263.56)	(82.23)	(57.04)
Decrease/(Increase) in Long Term Loans & Advances	2.87	(32.38)	(4.03)	(0.41)
Decrease/ (Increase) in other assets	(0.79)	(0.77)	0.99	(14.12)
<b>Cash Generated from operations</b>	<b>272.36</b>	<b>53.20</b>	<b>(40.26)</b>	<b>80.27</b>
Less: Income taxes refunded/(paid)	(83.70)	(13.55)	(5.45)	(0.40)
<b>Net Cash Flow from operating activities</b>	<b>188.66</b>	<b>39.65</b>	<b>(45.71)</b>	<b>79.87</b>
<b>B) Cash Flow From Investing activities:</b>				
Purchase of Property, plant and equipment and intangible asset	(61.14)	(80.85)	(20.24)	(41.43)
Interest Received	5.30	3.72	4.45	--
Movement in earmarked deposits	(0.13)	19.80	(113.00)	--
<b>Net Cash Flow from/(used in) investing activities</b>	<b>(55.97)</b>	<b>(57.33)</b>	<b>(128.79)</b>	<b>(41.43)</b>
<b>C) Cash Flow From Financing Activities:</b>				
Share Application Money	25.00			
Proceeds/(Repayment) in Long term Borrowing (Net)	(64.26)	143.29	-	
Proceeds /(Repayment) in Short term Borrowing(Net)	4.28	(14.23)	132.66	2.41
Finance cost paid	(33.50)	(49.92)	(6.42)	(8.88)
<b>Net Cash flow from /(used in)Financing activities</b>	<b>(68.48)</b>	<b>79.14</b>	<b>126.24</b>	<b>(6.47)</b>
Net increase/(Decrease) in cash & cash equivalents(A+B+C)	64.21	61.46	(48.26)	31.97
Cash equivalents at the beginning of the year	62.75	1.29	49.55	17.58
<b>Cash equivalents at the end of the year</b>	<b>126.96</b>	<b>62.75</b>	<b>1.29</b>	<b>49.55</b>





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