

# **SPECIAL PURPOSE FINANCIAL STATEMENTS**

**31<sup>st</sup> March 2022**

**LAXMI DENTAL  
LAB USA INC.**

**INDEPENDENT AUDITOR'S REPORT**

To  
The Board of Directors,  
M/s Laxmi Dental Lab USA Inc.

**Report on the Special Purpose Consolidated Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Special Purpose consolidated Ind AS financial statements of **M/s Laxmi Dental Lab USA Inc.** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for 31 March 2022, which comprise the consolidated balance sheet and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the Special Purpose consolidated Ind AS financial statements, including material accounting policies and other explanatory information (hereinafter referred to as the 'Special Purpose consolidated Ind AS Financial Statements'). The Special Purpose consolidated Ind AS Financial Statements have been prepared by the Management of the company and approved by the Board of Directors in accordance with the basis and purpose set out in Note 1.2 to the Special Purpose consolidated Ind AS Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, of its loss and total comprehensive loss, its changes in equity and its cash flows for the year ended on that date.





### **Basis for Opinion**

We conducted our audit of the Special Purpose consolidated Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SAs'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose consolidated Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Special Purpose consolidated Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Consolidated Ind AS Financial Statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment on Special Purpose consolidated Ind AS financial statements, were of most significance in our audit of the Special Purpose consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Special Purpose consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **1. Estimation of expected credit losses**

The estimation of expected credit losses is considered a key audit matter due to the inherent complexity and subjectivity involved in the assessment process. Management's judgments in selecting key assumptions and inputs, including historical loss experience, macroeconomic factors, and changes in credit risk, can have a material impact on the Special Purpose consolidated Ind AS financial statements. The reliance on historical data and forward-looking information adds further complexity, as economic conditions can change rapidly, potentially affecting the accuracy of the estimates.



**Audit Procedures Performed:**

- We evaluated the company's ECL estimation methodology and assessed its compliance with the requirements of Ind AS 109.
- We reviewed the data inputs used in the ECL calculations, including historical loss rates, macroeconomic forecasts, and other relevant information that supports the assumptions made by management.
- We tested the mathematical accuracy of the ECL model calculations and evaluated the consistency of the application of the model over time.
- We considered the impact of any changes in economic conditions on the ECL estimates, especially in relation to significant financial instruments.

**Other Information**

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Special Purpose consolidated Ind AS financial statements and our auditor's report thereon. Other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Special Purpose consolidated Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Special Purpose consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Special Purpose consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.





**Responsibilities of Management and Those Charged with Governance for the Special Purpose consolidated Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Special Purpose Consolidated Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Consolidated Ind AS Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

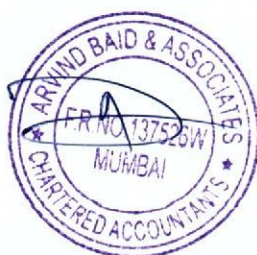




considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the Special Purpose Consolidated Ind AS Financial Statements, including the disclosures, and whether





the Special Purpose Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Consolidated Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Consolidated Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our audit work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Consolidated Ind AS Financial Statements.

#### **Other Matter**

- The Special Purpose Consolidated Ind AS Financial Statement of the Company for the period ended March 31, 2022 is based on the previously issued financial statements prepared in accordance with Generally accepted accounting principles in USA (US GAAP). These statements were not audited as the Company did not have obligations to audit during that period. However, these financials statements were compiled & certified by CPA Anshuman Sehgal of M/s NJ Sehgal & Associates Inc. December 6, 2022. Accordingly, in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, and pursuant to SEBI Communication, we have audited the Special Purpose Consolidated Ind AS Financial Statements of the Company for the year ended March 31, 2023.
- Since US GAAP Financial Statements were not audited for the year ended March 31, 2022, as the Company did not have obligations to audit during that period. We have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit evidence Specific consideration for selected items" and have obtained sufficient appropriate evidence.

Our Opinion is not modified in respect of this matter.







**Basis of preparation & Restriction on Distribution and Use**

Without modifying our opinion, we draw attention to Note 1.2 to the Special Purpose Ind AS Financial Statements which describes the purpose and basis of preparation of the Special Purpose Ind AS Financial Statements. The Special Purpose Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the Restated Consolidated Financial Information of Laxmi Dental Limited (Formerly known as Laxmi Dental Export Private Limited) ("Parent Company") to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to "Offer Documents") in connection with its proposed initial public offering of equity shares as required by Section 26 of Part I of Chapter III of the Companies Act, 2013 and as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "SEBI ICDR Regulations") and to comply with the SEBI Communication and the Guidance Note on Reports in Company Prospectuses (Revised 2019) ("the Guidance Note") issued by the ICAI. As a result, these Special Purpose Ind AS Financial Statements may not be suitable for any another purpose.

Our report is addressed to the Board of Directors of the Company solely for the purpose as mentioned above. This should not be distributed to or used by any other parties. We shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**FOR ARVIND BAID & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(FIRM REGN. NO.137526W)**

**Arvind Baid**

**Partner**

**M.No. 155532**

**Place: Mumbai**

**Dated: September 03, 2024**

**UDIN: 24155532-BK-CPC-Z5-777**



**LAXMI DENTAL LAB USA INC.**

**SPECIAL PURPOSE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022**

*(All amounts in INR Millions, unless otherwise stated)*

PARTICULARS	NOTES	AS AT 31.03.2022 (₹)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	2	4.57
Goodwill	3	-
Financial Assets		
- Other Non- Current Assets	4	5.61
<b>Total non-current asstes</b>		<b>10.18</b>
<b>Current assets</b>		
Inventories	5	56.94
Financial Assets		
- Trade Receivables	6	74.20
- Cash and Cash Equivalents	7	2.91
- Loans	8	-
- Other Financial Assets	9	2.82
<b>Total current assets</b>		<b>136.88</b>
Assets classified as held for sale		-
<b>Total assets</b>		<b>147.06</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	10	66.33
Other Equity	11	(78.32)
- Equity attributable to owners of Laxmi USA		(2.55)
- Non-controlling Interest (NCI)		
<b>Total Equity</b>		<b>(14.55)</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Financial Liabilities		
Borrowings	12	-
Trade payables	13	-
- total outstanding dues to micro and small enterprises		-
- total outstanding dues other than (ii) (a) above		141.84
Other current liabilities	14	19.77
<b>Total current liabilities</b>		<b>161.60</b>
Liabilities classified as held for sale		-
<b>Total equity &amp; liabilities</b>		<b>147.06</b>
Significant accounting policies	1	

The accompanying notes are an integral part of financial statements.



2-29

As per our Report of even date attached

**For ARVIND BAID & ASSOCIATES**

**Chartered Accountants**


Firm Regn. No.137526W

  
  
**Arvind Baid**  
 Partner  
 Membership No.155532  
 UDIN: 24155532-BKCPZ5777

Place:- Mumbai

Date:- September 03, 2024

For and on behalf of the board of directors of  
**LAXMI DENTAL LAB USA INC.**

  
**Rajesh V Khakhar**  
 Director  
 Designation

Place:- Mumbai

Date:- September 03, 2024

  
**Sameer Merchant**  
 Director  
 Designation

Place:-Mumbai

Date:- September 03, 2024

## SPECIAL PURPOSE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in INR Millions, unless otherwise stated)

PARTICULARS	NOTES	FOR THE YEAR ENDED 31.03.2022 (₹)
<b>Continuing Operations</b>		
<b>Revenue</b>		
Revenue from operations	15	324.10
Other income	16	0.75
<b>Total revenue</b>		<b>324.85</b>
<b>Expenses</b>		
Purchase of stock-in-trade	17	19.62
Changes in inventories of finished goods	18	17.95
Employee benefits expenses	19	91.98
Finance costs	20	0.01
Depreciation and amortisation expenses	2-3	1.01
Other expenses	21	197.96
<b>Total expenses</b>		<b>328.53</b>
<b>Profit/(Loss) before exceptional items and tax from continuing operations</b>		<b>(3.68)</b>
Exceptional Items		
<b>Profit/(Loss) before tax from continuing operations</b>		<b>(3.68)</b>
Tax Expense :		
1) Current tax		-
2) Deferred tax charge / (Benefits)		-
<b>Profit/(Loss) for the year from continuing operations</b>		<b>(3.68)</b>
<b>Discontinued Operations (refer note 23)</b>		
Profit/(Loss) before tax from discontinued operations		(14.51)
Tax Income/(expenses) from discontinued operations		-
<b>Profit/(Loss) after tax from discontinued operations</b>		<b>(14.51)</b>
<b>Profit/(Loss) for the year</b>		<b>(18.18)</b>
<b>Other Comprehensive Income of continuing operations</b>		
Items that will be reclassified subsequently to profit & loss		
Exchange differences in translating the financial statements of foreign operations		2.25
<b>Other Comprehensive Income of discontinued operations</b>		
Items that will be reclassified subsequently to profit & loss		
Exchange differences in translating the financial statements of foreign operations		(1.82)
<b>Other comprehensive income/(loss) for the year (net of tax)</b>		<b>0.43</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(17.75)</b>
Attributable to:		
(a) Shareholders of the Company		(16.88)
(b) Non-controlling interests (NCI)		(1.30)
<b>Earnings per equity share for continuing operations</b>	22	
1) Basic		(237.65)
2) Diluted		(237.65)
<b>Earnings per equity share for discontinued operations</b>	22	
1) Basic		(1,450.54)
2) Diluted		(1,450.54)
<b>Earnings per equity share for continuing and discontinued operations</b>	22	
1) Basic		(1,688.19)
2) Diluted		(1,688.19)
Significant accounting policies	1	

The accompanying notes are an integral part of financial statements.

2-29

As per our Report of even date attached

For ARVIND BAID & ASSOCIATES  
Chartered Accountants  
Firm Regn. No.137526W

Arvind Baid  
Partner  
Membership No.155532  
UDIN: 24155532 BICAPC75494

Place:- Mumbai  
Date:- September 03, 2024

For and on behalf of the board of directors of  
LAXMI DENTAL LAB USA INC.

Rajesh V Khakhar  
Director  
Designation

Place:- Mumbai  
Date:- September 03, 2024

Syameer Merchant  
Director  
Designation

Place:- Mumbai  
Date:- September 03, 2024



**LAXMI DENTAL LAB USA INC.**

**SPECIAL PURPOSE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

*(All amounts in INR Millions, unless otherwise stated)*

Sr No	PARTICULARS	FOR THE YEAR
		ENDED
		31.03.2022
		(₹)
(A)	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
	Profit/(Loss) before tax, continuing operations	(32.51)
	Profit/(Loss) before tax, discontinued operations	
	Adjustments for:	
	Depreciation for the year	1.06
	Interest paid	0.01
	Interest on security deposit	-
	Operating cash flow before working capital changes	(31.45)
	Adjustments for changes in assets and liabilities:	
	(Increase)/Decrease in Trade receivable	(17.76)
	(Increase)/Decrease in Inventories	(14.42)
	(Increase)/Decrease in Non-Current Financial Assets	(1.04)
	(Increase)/Decrease in Other Current Financial Assets	(2.76)
	(Increase)/Decrease in Short term loans and advances	2.16
	Increase/(Decrease) in Other Current liabilities	11.41
	Increase/(Decrease) in Trade payable	25.24
		2.81
	Cash generated from / (used in) operations	
	Tax (paid)/ Refund	(28.64)
	Net cash generated from/(used in) operations activities (A)	(28.64)
(B)	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	
	Purchase / (proceed) of property, plant and equipments	26.54
	Net cash generated from/(used in) investing activities (B)	26.54
(C)	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
	Proceeds/(Repayment) of short term borrowing-Net	-
	Interest paid	(0.01)
	Principal repayment of lease liabilities	-
	Net cash flow from / (used in) financing activities (C)	(0.01)
	Effect of exchange rate changes on cash	
	Net Increase/Decrease In Cash & Cash Equivalent (A+B+C)	(0.39)
	Cash & cash equivalent as at opening	(2.11)
	Cash & cash equivalent as at closing	5.41
		2.91
	Cash & cash equivalents comprise of the following:	
	Balance with banks:	0.16
	In current accounts	
	Cash on hand	2.75
		-
	Cash and cash equivalent at the end of the year	2.91

The accompanying notes are an integral part of financial statements.  
As per our Report of even date attached

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the companies Act, 2013

**For ARVIND BAID & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No.137526W

Arvind Baid  
Partner

Membership No.155532

UDIN: 24155532BKCP6ZS777

Place:- Mumbai

Date:- September 03, 2024

For and on behalf of the board of directors of  
LAXMI DENTAL LAB USA INC.

Rajesh V Khakhar  
Director  
Designation

Place:- Mumbai

Date:- September 03, 2024

Samir Merchant  
Director  
Designation

Place:-Mumbai

Date:- September 03, 2024

**LAXMI DENTAL LAB USA INC.**

**SPECIAL PURPOSE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022**

*(All amounts in INR Millions, unless otherwise stated)*

**A. EQUITY SHARE CAPITAL**

Particulars	As at 31st March, 2022
Balance at the beginning of the reporting year	66.33
Changes in Equity Share capital during the year	-
Balance at the end of the reporting year	66.33

**B. OTHER EQUITY**

Particulars	Reserve and Surplus Retained Earnings (₹)	Items of Other Comprehensive Foreign Currency Translation reserve	Attributable to Owners of Laxmi Dental Lab USA INC.	Non-Controlling Interest	Total Other Equity
Balance as at 1st April, 2021	(49.10)	2.01	(47.08)	(1.25)	(48.33)
Profit for the year	(16.88)	0.20	(16.69)	(1.30)	(17.99)
IGAAP Adjustment	(14.79)	0.24	(14.55)	-	(14.55)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	(31.67)	0.43	(31.24)	(1.30)	(32.54)
Balance as at 31st March, 2022	(80.77)	2.44	(78.32)	(2.55)	(80.87)

The accompanying notes are an integral part of financial statements.

As per our Report of even date attached

**For ARVIND BAID & ASSOCIATES**

Chartered Accountants  
Firm Regn. No.137526W

  
**Arvind Baid**  
Partner  
Membership No.155532  
UDIN: 24155532BKCPCL5777



Place:- Mumbai

Date:- September 03, 2024

For and on behalf of the board of directors of  
**LAXMI DENTAL LAB USA INC.**

  
**Rajesh V Khakhar**  
Director  
Designation

Place:- Mumbai

Date:- September 03, 2024

  
**Sameer Merchant**  
Director  
Designation



Place:-Mumbai

Date:- September 03, 2024



**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS***(All amounts in INR Millions, unless otherwise stated)***Note 1:****1 Corporate Information**

Laxmi Dental Lab USA Inc. was incorporated in the State of New Jersey on February 2, 2012. The Company operates as a dental laboratory specializing in manufacturing dental prosthetics and appliances. The company operates two dental labs namely Illusion Dental Lab USA Inc. and Diverse Dental Lab USA LLC and it has acquired various other dental laboratories since its inception. Their business involves creating custom-made dental restorations such as crowns, bridges, dentures, and orthodontic appliances based on prescriptions and specifications provided by dentists.

**2 Material Accounting Policies****2.1 Basis of Preparation****(i) Statement of compliance**

The Special Purpose Consolidated Financial Statements of the Company comprises the Special Purpose Consolidated Balance Sheet as at 31 March 2022, the Special Purpose Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Special Purpose Consolidated Statement of Cash Flows, the Special Purpose Consolidated Statement of Changes in Equity and Notes forming part of the Special Purpose Consolidated Financial Statements for the year ended 31 March 2022 and summary of material accounting policies and explanatory notes (collectively referred as the 'Special Purpose Consolidated Financial Statements') that have been prepared by the management of the company for the purpose of preparation of the Special Purpose Consolidated Financial Statements to be included in the Draft Red Herring Prospectus (the "DRHP") to be filed by the holding Company (Laxmi Dental Limited) with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited in connection with the proposed Initial Public Offer of equity shares ("IPO") by the holding Company.

"The Special Purpose Consolidated Financial Statements have been prepared by the management of the Company to comply with the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations");
- (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note"); and
- (d) Email dated 28 October 2021 from Securities and Exchange Board of India (SEBI) to Association of Investment Bankers of India ("SEBI Communication")."

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Company voluntarily adopted 31 March 2024, as reporting date for first time adoption of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), and consequently 1 April 2022 as the transition date for preparation of its statutory financial statements for the year ended 31 March 2024. Hence, the financial statements for the year ended 31 March 2022, were the first financial statements, prepared in accordance with Ind AS. Upto the financial year ended 31 March 2022, the Company had prepared its general-purpose financial statements in accordance with United States Generally Accepted Accounting Principles ("US GAAP" or "Previous GAAP"). Accordingly, this Special Purpose Consolidated Financial Statements are prepared to comply with SEBI Communication. Further, these Special Purpose Consolidated Financial Statements are not the statutory financial statements under the Act.

The Special purpose Consolidated financial statements as at and for the year ended 31 March 2022 has been prepared after making suitable adjustments to the accounting heads from their US GAAP values following accounting policies and accounting policy choices consistent with that used at the date of transition to Ind AS (01 April 2022) and as per the presentation, accounting policies and grouping/classifications.

This Special Purpose Consolidated Financial Statements have been prepared solely for the purpose of preparation of Special Purpose Consolidated Financial Statements for inclusion in DRHP in relation to proposed IPO of Group company Laxmi Dental Limited, hence this Special Purpose Consolidated Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Special Purpose Consolidated Financial Statements of Group company. Accordingly, no comparative figures are presented in these financial statements.

All amounts disclosed in Special Purpose Consolidated Financial Statements are reported in nearest lakhs of Indian Rupees and have been rounded off to the nearest lakhs, except per share data and unless stated otherwise.

These special purpose consolidated financial statements of the Company are presented in Indian Rupees (INR), which is not its functional currency and all values are rounded to the nearest millions except when otherwise indicated. The functional currency of the company is USD.

These special purpose financial statements have been prepared to assist Laxmi dental Export Private Limited., the holding company, to comply with the requirements of section 129 (3) of the Act.

**(ii) Basis of Measurement**

These Special Purpose Consolidated Financial Statements are prepared in accordance with Indian accounting standard (Ind As) under the historical cost convention on accrual basis, except for the following:

- certain financial assets and liabilities which are measured at fair value or amortised cost;
- Net defined benefit(asset)/ liability - Fair value of plan assets less present value of defined benefit obligation;

**(iii) Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**(iv) Going concern**

The Company has prepared the Special Purpose consolidated financial statements on the basis that it will continue to operate as a going concern.

**(v) Use of Estimates**

The preparation of the Special Purpose Consolidated Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

**Critical accounting estimates:****a) Estimated useful life and residual value of property, plant and equipment**

The Company depreciates property, plant and equipment on a straight-line basis over estimated useful lives of the assets except certain asset on which depreciation is provided on written down value basis. The charge in respect of periodic depreciation is derived based on an estimate of an asset's expected useful life and the expected residual value at the end of its life. The life is based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The estimated useful life is reviewed at least annually.



*[Handwritten signature]*





**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS***(All amounts in INR Millions, unless otherwise stated)***b) Impairment assessment of property plant and equipment**

The Company periodically reviews the impairment indicators and assesses whether there is any indication that an asset may be impaired. In assessing recoverable amount, the Company has used independent valuer to determine fair value of the assets and then compared it with the carrying value of the fixed assets. The estimation of fair value involves significant judgements and

**c) Expected credit losses on trade receivables**

The impairment provision of trade receivables is based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

**d) Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of the lease. The discount rate is generally based on the incremental borrowing rate.

**2.2 Revenue Recognition****(a) Revenue from sale of goods**

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. All the revenue is point in time.

The Performance Obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Customers have the contractual right to return goods. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

**(b) Rendering of Services**

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

**(c) Other Revenue****Government Grants, subsidies**

Government grants are accounted when there is reasonable assurance that the Company will comply with the conditions attached to them and it is reasonably certain that the ultimate collection will be made. Revenue grants are recognised in the Statement of Profit and Loss.

**2.3 Inventories**

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on First-in-First out method (i.e. FIFO).

**2.4 Property, Plant & Equipment****i. Recognition and measurement**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost includes expenditures directly attributable to the acquisition of the asset. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when discarded/scrapped. All other repairs and maintenance costs are charged to profit and loss in the reporting period in which they occur.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iii. Depreciation**

Depreciation on items of property, plant and equipment is provided as per straight-line method basis, as per useful life of the assets estimated by the management, which is equal to the useful life prescribed under Schedule II of the Companies Act, 2013 except in the case of certain asset, depreciation on which is provided as per the written down value method basis and the life is based on technical evaluation and assessment.

Depreciation on additions/ (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use/ (disposed of). Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

Assets	Management estimate of Useful economic life (in Years)	Companies Act Useful economic life (in Years)
Furniture and fixtures	5 to 10	10
Office Equipments	5	5
Computers	3 to 6	3
Plant & machinery	13 to 15	15



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**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS***(All amounts in INR Millions, unless otherwise stated)***2.5 Goodwill and other intangible assets****i. Goodwill**

For measurement of goodwill that arises on a business combination measured at fair value. Any goodwill that arises is tested annually for impairment. Subsequent measurement is at cost less any accumulated impairment losses.

**ii. Other intangible assets**

Other intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, other intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

**Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

**Amortization**

Amortization is calculated to write off the cost of other intangible assets over their estimated useful lives using the straight-line method, and is included in amortization expense in profit or loss.

Amortization method, useful life and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**2.6 Impairment****(a) Impairment of financial assets**

The Company recognizes loss allowances for expected credit loss on financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- it is probable that the borrower will enter bankruptcy or other financial re-organization; or
- the disappearance of active market for a security because of financial difficulties.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

**Measurement of expected credit losses**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

**Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**(b) Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated.

Assets that do not generate independent cash flows are grouped together into cash generating units (CGU).

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**2.7 Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Determining whether a contract contains lease**

At inception of a contract, the Company determines whether the contract is, or contains, a lease. The contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or assets for a period of time in exchange for consideration, even if that right is not explicitly specified in a contract.

At inception or on reassessment of a contract that contains lease component and one or more additional lease or non-lease components, the Company separates payments and other consideration required by the contract into those for each lease component on the basis of their relative stand-alone price and those for non-lease components on the basis of their relative aggregate stand-alone price. If the Company concludes that it is impracticable to separate the payments reliably, then ROU asset and Lease liability are recognised at an amount equal to the present value of future lease payments; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

**Company as a lessee**

At inception, the Company assesses whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether it depends on an identified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of that asset. The Company has elected to separate lease and non-lease components of contracts, wherever possible.



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**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS***(All amounts in INR Millions, unless otherwise stated)***Right-of-use assets**

The Company recognizes a right of use (ROU) asset and a lease liability at the transition date lease commencement date. The ROU is initially measured based on the present value of future lease payments, plus initial direct costs, and cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date, less any incentives received. The ROU is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROD is subject to testing for impairment if there is an indicator for impairment.

**Lease liabilities**

At the commencement date, the Company measures the lease liability at the present value of the future lease payments that are not yet paid at that date discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Short-term leases**

The Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of low value assets. The payments for such leases are recognized in the statement of profit and loss on a straight-line basis over the lease term.

**2.8 Financial Instruments****(A) Financial Assets**

(i) **Initial recognition:** The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input). In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset. However, trade receivables that do not contain a significant financing component are measured at the transaction price.

**(ii) Subsequent measurement:**

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- (a) the entity's business model for managing the financial assets, and
- (b) the contractual cash flow characteristics of the financial assets.

(a) **Measured at amortised cost:** Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any, is recognised in the Statement of Profit and Loss. This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(b) **Measured at fair value through other comprehensive income:** Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any, are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss. Further, the Company, through an irrevocable election at initial recognition, has measured investments in equity instruments at FVTOCI. The Company has made such election on an instrument by instrument basis. These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss. On derecognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

(c) **Measured at fair value through profit or loss:** A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI. This is a residual category applied to all other investments of the Company excluding investments in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized

**(iii) Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

**(iv) Impairment of Financial Assets**

Expected credit losses are recognized for all financial assets subsequent to initial recognition.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

**(B) Financial Liabilities:****(i) Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value. Transaction costs that are directly attributable to the financial liabilities (other than financial liability at fair value through profit or loss) are deducted from the fair value measured on initial recognition of financial liability.

**Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**(ii) Derecognition**

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expired. The Company also derecognises financial liabilities when their terms are modified and the cash flows of the modified liabilities are substantially different, in which case new financial liabilities based on the modified terms are recognized at fair value.





**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS***(All amounts in INR Millions, unless otherwise stated)***2.9 Fair value measurement:**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Special Purpose consolidated financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities

(Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the Special Purpose consolidated financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**3 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents include cash on hand, cash in bank and short-term deposits net of bank overdraft.

**3.1 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year/period are adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year/period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**3.2 Foreign currencies****(i) Functional and presentation currency**

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is not the Company's functional and presentation currency. USD is the functional and presentation currency of the company.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company are translated to Indian rupees at the exchange rate prevailing on the balance sheet date. Income and expenses items are translated at the average rate of exchange for the respective months. Exchange differences arising on such translation are recognised as currency translation reserve under equity. Exchange differences arising from the translation of a foreign operation previously recognised in currency translation reserve in equity are not reclassified from equity to the consolidated statement of profit and loss until the disposal of the operation.

**3.3 Provisions and expenses**

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Costs and expenses are recognised when incurred and have been classified according to their nature.

**3.4 Income taxes**

Income tax comprises of current tax and deferred tax.

**a. Current Tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

**b. Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

The Company recognises deferred tax liabilities for all taxable temporary differences except those associated with the investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

**3.5 Government grants**

Government grants are recognised when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received.

Government grants are recognised in the consolidated statement of profit and loss, either on a systematic basis when the Company recognizes, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred. Government grants related to assets are deferred and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the period in which the grant is received.

**4 Recent accounting pronouncements:**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2022 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Group has applied these amendments for the first-time in these Special Purpose Standalone Financial Statements.






**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 2: Property Plant & Equipment**

*(All amounts in USD (\$) Millions, unless otherwise stated)*

Particulars	Furniture & Fixtures	Office Equipments	Plant & Machinery	Computers	Total
<b>Gross Block</b>					
Deemed Cost at 1 April 2021	0.04	0.00	0.02	-	0.06
Additions	-	0.00	0.01	-	0.01
(Deductions) / (Disposals)	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>0.04</b>	<b>0.00</b>	<b>0.03</b>	<b>-</b>	<b>0.07</b>
<b>Accumulated Depreciation</b>					
Depreciation for the year	0.01	0.00	0.00	-	0.01
Disposals/Adjustments	-	-	-	-	-
Less: Transferred to discontinued operations	(0.00)	(0.00)	-	-	(0.00)
<b>Balance as at 31 March 2022</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>	<b>0.01</b>
<b>Net block</b>					
<b>Balance as at 01 April 2022</b>	<b>0.03</b>	<b>0.00</b>	<b>0.02</b>	<b>-</b>	<b>0.06</b>

**Note 2: Property Plant & Equipment**

*(All amounts in INR Millions, unless otherwise stated)*

Particulars	Furniture & Fixtures	Office Equipments	Plant & Machinery	Computers	Total
<b>Gross Block</b>					
Deemed Cost at 1 April 2021	3.13	0.14	1.18	-	4.45
Additions	-	0.07	0.96	-	1.03
(Deductions) / (Disposals)	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>3.13</b>	<b>0.21</b>	<b>2.14</b>	<b>-</b>	<b>5.48</b>
<b>Accumulated Depreciation</b>					
Depreciation for the year	0.68	0.03	0.36	-	1.06
Disposals/Adjustments	-	-	-	-	-
Less: Transferred to discontinued operations	(0.04)	(0.01)	-	-	(0.05)
<b>Balance as at 31 March 2022</b>	<b>0.63</b>	<b>0.02</b>	<b>0.36</b>	<b>-</b>	<b>1.01</b>
<b>Net block</b>					
<b>Balance as at 1 April 2022</b>	<b>2.46</b>	<b>0.18</b>	<b>1.78</b>	<b>-</b>	<b>4.42</b>
<b>Net block on Closing Rates</b>					
Closing rates on 31.03.2022	75.79	75.79	75.79	75.79	
<b>Net block on Closing Rates</b>					
<b>Balance as at 1 April 2022</b>	<b>2.56</b>	<b>0.18</b>	<b>1.83</b>	<b>-</b>	<b>4.57</b>
<b>Foreign Exchange Difference</b>					
For the year ended 1 April 2022	(0.11)	(0.01)	(0.04)	-	(0.16)



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**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 3: Intangible asset**

*(All amounts in USD (\$) Millions, unless otherwise stated)*

Particulars	Goodwill	Total
<b>Gross Block</b>		
Deemed Cost at 1 April 2021	0.36	0.36
Additions	-	-
(Deductions) / (Disposals)	0.36	0.36
<b>Balance as at 31 March 2022</b>	-	-

*(All amounts in INR Millions, unless otherwise stated)*

Particulars	Goodwill	Total
<b>Gross Block</b>		
Deemed Cost at 1 April 2021	26.62	26.62
Additions	-	-
(Deductions) / (Disposals)	26.62	26.62
<b>Balance as at 31 March 2022</b>	-	-

**Note:**

The divisions containing the Goodwill are not generating any cash flows, rendering it impractical to determine the recoverable amount and estimate future cash flows. Based on these circumstances, we have decided to fully impair the Goodwill in the financial year 2021-22.





**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 4: Other Non-Current Assets**

*(All amounts in INR Millions, unless otherwise stated)*

Particulars	As at 31.03.2022 (₹)
Advance Recoverables	4.55
Security Deposit	1.06
Less: Transferred to assets classified as held for sale	-
<b>Total</b>	<b>5.61</b>

**Note 5: Inventories**

*(Valued at cost or NRV whichever is lower)*

Particulars	As at 31.03.2022 (₹)
Finished Goods	56.94
Raw Material	-
Less: Transferred to assets classified as held for sale	-
<b>Total</b>	<b>56.94</b>

**Note 7: Cash and cash equivalents**

Particulars	As at 31.03.2022 (₹)
Cash in hand	-
Balance with Banks	2.91
In Current A/c	
Less: Transferred to assets classified as held for sale	-
<b>Total</b>	<b>2.91</b>

**Note 8: Loans**

Particulars	As at 31.03.2022 (₹)
Loans and Advances	-
Less: Transferred to assets classified as held for sale	-
<b>Total</b>	<b>-</b>

**Note 9: Other Financial Assets**

Particulars	As at 31.03.2022 (₹)
Security Deposits (Term less than 12 months)	-
Dennis Trombitas - Security Dep	0.38
Rent Deposit -RDS Reality	0.23
Undeposited Funds	0.05
Advanced to Supplier	2.16
Other Receivable	-
<b>Total</b>	<b>2.82</b>



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**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 6: Trade receivables**

*(All amounts in INR Millions, unless otherwise stated)*

**Trade Receivable**

**Current**

Undisputed Trade Receivables - considered good  
Disputed Trade Receivables - considered doubtful

**Non Current**

Undisputed Trade Receivables - considered good  
Disputed Trade Receivables - considered doubtful

**Gross Total**

Less: credit impaired  
Inter company

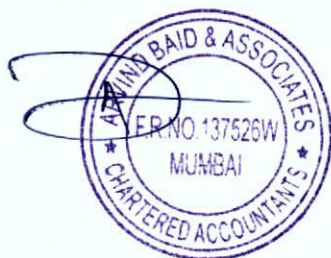
**Net Total**

As At 31.03.2022 (\$)	As At 31.03.2022 (`)
0.75	56.96
0.21	15.96
<b>0.96</b>	<b>72.92</b>
0.03	2.12
0.14	10.38
<b>0.16</b>	<b>12.50</b>
<b>1.13</b>	<b>85.42</b>
(0.18)	(13.31)
0.03	2.09
<b>0.98</b>	<b>74.20</b>

**Trade Receivables ageing:**

Particulars	Not Due	Outstanding for following periods from due date of payment #					Total
		Less than 6 months	6 months-1 years	1-2 years	2-3 years	More than 3 years	
<b>As at 01st April, 2022:</b>		<b>Current</b>		<b>Non-Current</b>			
Undisputed Trade Receivables - considered good	24.18	28.72	4.06	2.12	-	-	59.08
Less: credit impaired	(0.01)	-	-	(2.09)	-	-	(2.09)
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	10.74	5.22	10.38	-	-	26.34
Less: credit impaired	-	(0.07)	(0.75)	(10.38)	-	-	(11.21)
<b>Total</b>							<b>72.12</b>
Inter company	2.09	-	-	-	-	-	2.09
<b>Net Receivables</b>							<b>74.20</b>

# If no due date is specified in that case disclosure shall be from the date of the transaction.



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**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

*(All amounts in INR Millions, unless otherwise stated)*

**Note 10: Equity Share Capital**

Particulars	As at 31.03.2022	
	Number of shares	( ₹ )
(a) <b>Authorised</b>		
Equity shares of \$ 100/- each with voting rights	20000	132.65
	20000	132.65
(b) <b>Issued, Subscribed &amp; Fully paid up</b>		
Equity shares of \$ 100/- each with voting rights	10000	66.33
	10000	66.33

**(A) Reconciliation of the number of shares and amount outstanding at the beginning and at**

Particulars	Opening Balance	Issued During the Year	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2022			
- Number of shares	10000	-	10000
- Amount	66.33	-	66.33

**(B) Rights, preferences and restrictions attached to equity shares:**

**Equity Shares:**

The Company has a single class of equity shares having par value of 100\$ per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**(C) Details of shareholders holding more than 5% shares in the company**

Particulars	As at 31.03.2022	
	No. of Shares	% of Holding
Laxmi Dental Export Private Limited	10000	100.00%
<b>TOTAL</b>	<b>10000</b>	<b>100.00%</b>

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Group during the period of five years immediately preceding the current period end.

(e) No class of shares have been bought back by the Group during the period of five years immediately preceding the reporting date.





**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

*(All amounts in INR Millions, unless otherwise stated)*

**Note 11: Other Equity**

Refer Statement of Changes in Equity for detailed movement in Other Equity balance.

Particulars	As at 31.03.2022 (₹)
<b>A. Summary of Other Equity balance.</b>	
Retained earnings	
<b>Opening Balance (A)</b>	
Foreign Currency Translation Reserve	(49.10)
<b>Opening Balance (B)</b>	2.01
Profit/(Loss) for the year, continued operations (C)	(17.17)
Profit/(Loss) for the year, discontinued operations (D)	(14.51)
Items of Other Comprehensive Income, continued operations (E)	
- Fair value of Equity Instruments through OCI	-
- Currency translation reserve	2.25
Items of Other Comprehensive Income, discontinued operations (F)	
- Fair value of Equity Instruments through OCI	-
- Currency translation reserve	(1.82)
<b>Closing Balance of Retained Earnings (G = A+C+D)</b>	<b>(80.77)</b>
<b>Closing Balance of Foreign Currency Translation Reserve (G = B+E+F)</b>	<b>2.44</b>

**B. Nature and purpose of reserves**

- (a) Securities Premium Account: Securities premium account is used to record the premium on issue of shares. This account is utilised in accordance with the provisions of the Act.
- (b) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (c) Equity Instruments through Other Comprehensive Income: This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option.

**Note 12: Borrowings**

Particulars	As at 31.03.2022 (₹)
<u>Unsecured Loan</u>	
Loan from Fund Box & LG Funding LLC	-
Less: Transferred to liabilities classified as held for sale	-
<b>Total</b>	<b>-</b>

**Note 14: Other Current Liabilities**

Particulars	As at 31.03.2022 (₹)
<u>(a) Statutory dues payable</u>	
Sales Tax Payable	0.38
<u>(b) Other Payables</u>	
Payroll Liability	2.14
Credit Card Payable	12.46
Professional Fees Payable	-
Others Payables	1.09
<u>(c) Advance From Customer</u>	3.69
Less: Transferred to liabilities classified as held for sale	-
<b>Total</b>	<b>19.77</b>





**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 13: Trade Payable**

*(All amounts in INR Millions, unless otherwise stated)*

	As At 31.03.2022 (₹)	As At 31.03.2022 (₹)
<b>Current</b>		
MSME	-	-
Others	1.87	141.84
<b>Non-Current</b>		
MSME	-	-
Others	-	-
<b>Total</b>	<b>1.87</b>	<b>141.84</b>

**Trade Payable aging schedule**

Particulars	Outstanding for following period from due date of payment#					Total
	Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 year	
<b>As at 31.03.2022</b>	<b>Current</b>		<b>Non Current</b>			
(i) MSME	-	-	-	-	-	-
(ii) Others	35.43	106.41	-	-	-	141.84
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-	-
<b>Total</b>	<b>35.43</b>	<b>106.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141.84</b>

# If no due date of payment is specified in that case disclosure shall be from the date of the transaction.



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**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 15: Revenue from operations**

*(All amounts in INR Millions, unless otherwise stated)*

Particulars	For the year ended 31.03.2022 (₹)
<b>Revenue from contract with customers:</b>	
Sale of Products	392.85
<b>Other Operating Income</b>	
Freight Charges Income	9.64
Reimbursement of Expenses	25.40
Less: Transferred to discontinued operations	(103.79)
<b>Total</b>	<b>324.10</b>

**A Information of disaggregated revenue as per Ind AS 115**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	For the year ended 31.03.2022 (₹)
<b>(A) Based on Geographical markets</b>	
- USA	285.23
- Outside USA	38.88
<b>Total</b>	<b>324.10</b>

**A Disaggregation of revenue**

In the following table, revenue is disaggregated by Product type.

Segments	For the year ended 31.03.2022 (₹)
-Metal Free	119.84
-PFM	53.16
-Removables & others	151.11
<b>Total</b>	<b>324.10</b>

**B Contract Balances**

**(i) Contract assets**

The following table provides information about receivables from contracts with customers:

Particulars	For the year ended 31.03.2022 (₹)
Trade Receivables	74.20
<b>Total</b>	<b>74.20</b>

**(ii) Contract liabilities**

The following table provides information about advance from contract with customer:

Particulars	For the year ended 31.03.2022 (₹)
Payments in advance of services	3.50
<b>Total</b>	<b>3.50</b>

**C Reconciliation of revenue recognised vis-à-vis contracted price**

Particulars	For the year ended 31.03.2022 (₹)
Revenue as per contracted price	324.10
Adjustments	-
<b>Revenue from contract with customers</b>	<b>324.10</b>

**Note 16: Other income**

Particulars	For the year ended 31.03.2022 (₹)
Interest on Security Deposits	-
EIDL Grant	0.75
<b>Total</b>	<b>0.75</b>



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**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

*(All amounts in INR Millions, unless otherwise stated)*

**Note 17: Purchase of stock-in-trade**

Particulars	For the year ended 31.03.2022 (₹)
Purchases	117.31
Less: Transferred to discontinued operations	(97.69)
<b>Total</b>	<b>19.62</b>

**Note 18: Changes in inventory of finished goods (continuing operations)**

Particulars	For the year ended 31.03.2022 (₹)
Inventory at the beginning of the year	32.17
Less: Inventory at the end of the year	(14.23)
<b>Changes in inventory of finished goods</b>	<b>17.95</b>

**Note 18.1: Changes in inventory of finished goods (discontinued operations)**

Particulars	For the year ended 31.03.2022 (₹)
Inventory at the beginning of the year	8.57
Less: Inventory at the end of the year	(42.72)
<b>Changes in inventory of finished goods</b>	<b>(34.15)</b>

**Note 19: Employee benefits expense**

Particulars	For the year ended 31.03.2022 (₹)
<u>Salaries and wages</u>	
Salary to Staff	104.31
Staff welfare expenses	0.47
Less: Transferred to discontinued operations	(12.80)
<b>Total</b>	<b>91.98</b>

**Note 20: Finance costs**

Particulars	For the year ended 31.03.2022 (₹)
Interest expense on:	
Borrowed Funds:	
Interest on Bank Loan	-
Other Interest	0.01
Interest on Lease Liability	-
Less: Transferred to discontinued operations	-
<b>Total</b>	<b>0.01</b>



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## NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in INR Millions, unless otherwise stated)

## Note 21: Other expenses

Particulars	For the year ended 31.03.2022 (₹)
Advertisement Expenses	0.59
Admin Charges Expenses	5.91
Automobile expense	1.82
Bank Charges	1.13
Business Development Expenses	0.75
Brokerage & Commission	-
Credit Card Processing Charges	2.00
Computer Software Charges	1.69
Electricity Expenses	1.04
Equipment Rental	0.22
Insurance Charges	1.71
Internet Charges	0.12
Office Supplies	1.38
Payments to auditors (Refer Note below)	-
Professional Fees	4.37
Printing and Stationery	0.07
Provision for Doubtful Debts	4.82
Provision for Security Deposit	-
Bad Debts Recovered	(1.25)
Rates and taxes	0.36
Rent Charges	12.79
Repairs and maintenance	1.61
Sundry Expenses	3.29
Subscription & License fees	0.77
Subcontract	129.00
Shipping Cost	44.87
Telephone Charges	2.01
Travelling Expenses	2.79
Utilities	-
Less: Transferred to discontinued operations	(25.90)
<b>Total</b>	<b>197.96</b>

## Note on Payment to Auditors

Particulars	For the year ended 31.03.2022 (₹)
Payments to the auditors comprises	
As auditors - statutory audit	-
For taxation matters	-
<b>Total</b>	<b>-</b>

## Note 22: Earnings per equity share for continuing operations

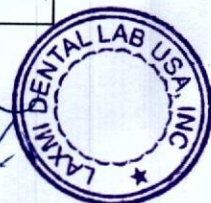
Particulars	For the year ended 31.03.2022 (₹)
Net Profit/(Loss) after Tax	(2.38)
Weighted Average No. of Shares and Warrants for Basic EPS	10,000
Weighted Average No. of Shares and Warrants for Diluted EPS	10,000
Basic EPS	(237.65)
Diluted EPS	(237.65)

## Note 22: Earnings per equity share for discontinued operations

Particulars	For the year ended 31.03.2022 (₹)
Net Profit/(Loss) after Tax	(14.51)
Weighted Average No. of Shares and Warrants for Basic EPS	10,000
Weighted Average No. of Shares and Warrants for Diluted EPS	10,000
Basic EPS	(1,450.54)
Diluted EPS	(1,450.54)

## Note 22: Earnings per equity share for continuing and discontinued operations

Particulars	For the year ended 31.03.2022 (₹)
Net Profit/(Loss) after Tax	(16.88)
Weighted Average No. of Shares and Warrants for Basic EPS	10,000
Weighted Average No. of Shares and Warrants for Diluted EPS	10,000
Basic EPS	(1,688.19)
Diluted EPS	(1,688.19)





**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 23: Discontinued Operation of Alvy Dental solutions (OU of Laxmi Dental Lab USA Inc.)**

*(All amounts in INR Millions, unless otherwise stated)*

Alvy Dental Solutions is an organizational unit of Laxmi Dental Lab USA, with the principal activity of selling dental consumables and machineries pertaining to that. Following a strategic review carried out in the last quarter of the year ended 31 March 2024, management concluded that considerable cost savings could be achieved if Alvy Dental Solutions' operations were sold. The process of sale was initiated before the end of the year ended 31 March 2024, and the disposal is expected to be completed by 1st July 2024. In light of these circumstances, the assets and liabilities of Alvy Dental Solutions have been classified as held for sale in the consolidated balance sheet.

As Alvy Dental Solutions is being discontinued in 2024, its operations are being presented separately in the special purpose financial statements for the year 2022. This separation allows for a clearer assessment of the financial performance and impact of the discontinuation on the overall financial results.

**(i) Profit / (Loss) for the year from discontinued operations**

PARTICULARS	FOR THE YEAR ENDED 31.03.2022 (₹)
<b>Result of discontinued operations</b>	
Revenue from operations	101.18
Other Operating Income	2.61
Expenses other than finance costs	118.30
Finance costs	-
<b>Profit/(Loss) before tax</b>	<b>(14.51)</b>
Tax (expense) / credit	
<b>Profit/(Loss) before tax</b>	<b>(14.51)</b>
<b>Other Comprehensive Income</b>	
<b>Items that will be reclassified subsequently to profit &amp; loss</b>	
Exchange differences in translating the financial statements of foreign operations	(1.82)
<b>Other comprehensive income/(loss) for the year (net of tax)</b>	<b>(1.82)</b>
De-recognition of net carrying value of assets	
Adjusted against respective reserves	
<b>Total comprehensive income/(loss) for the year</b>	<b>(16.32)</b>

**(ii) Net cash flows attributable to the discontinued operations**

PARTICULARS	FOR THE YEAR ENDED 31.03.2022 (₹)
Net cash flow from operating activities	2.41
Net cash flow used in investing activities	(0.07)
Net cash flow used in financing activities	(2.23)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>0.10</b>
Effect of exchange rate changes on cash	0.00
Cash and cash equivalents as at 1 April 2023	0.05
<b>Cash and cash equivalents as at 31 March 2024</b>	<b>0.16</b>





**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

*(All amounts in INR Millions, unless otherwise stated)*

**Note 24: First-Time Adoption Of Ind AS**

The Company has adopted Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time with the effective date of such transition is April 1, 2022. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder ("Collectively referred to as "the Previous GAAP").

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2024, together with the comparative period data as at and for the year ended March 31, 2023, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2022, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements, including the balance sheet as at April 1, 2022 and the financial statements as at and for the year ended March 31, 2023.

**Exemptions Availed On First Time Adoption Of Ind AS**

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions:

**A Optional Exemptions Availed**

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions:

**(i) Deemed Cost – Property, Plant & Equipment and Intangible assets**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment and intangible assets as recognised in the financial statement as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**B Mandatory Exceptions**

**(i) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2022 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- (i) Effective interest rate used in calculation of security deposit.
- (ii) Impairment of financial assets based on expected credit loss model.

**(ii) Classification And Measurement Of Financial Assets**

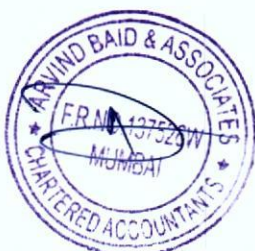
Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

**(iii) Impairment of financial assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments which were initially recognised and compare that to the credit risk at the date of transition to Ind AS. Company has applied this exception prospectively.

**C The Following Reconciliations Provide A Quantification Of The Effect Of Differences Arising From The Transition From Previous GAAP To Ind AS As Required Under Ind AS 101**

- (a) Reconciliation of total Equity as at 31 March 2022





**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

*(All amounts in INR Millions, unless otherwise stated)*

**(i) Reconciliation of total equity as at 31 March 2022**

Particulars	Note	As at 31st March 2022
Total equity (shareholder's funds) as per Indian GAAP		(68.81)
Adjustments:		
Reversal of Depreciation and Amortization Expenses on Goodwill		2.50
Reversal of Foreign Exchange Reserve due to Reversal of Depreciation on Goodwill		-
Foreign Exchange Reserve due to Goodwill W/Off		-
Impairment of Goodwill		(27.57)
Reversal of Old Provision	(iii)	4.82
Foreign Exchange Reserve due to Reversal of Old Provision	(iii)	0.09
New Provision Created / (Reversed) as per ECL	(iii)	7.95
Foreign Exchange Reserve due to Creation of New Provision for Doubtful Debts as per ECL		0.15
Total equity (shareholder's funds) as per Ind AS		(80.87)

**D Notes To First-Time Adoption:**

**(i) Security Deposits**

Under previous GAAP, interest free lease security deposits are recorded at its transaction value. Under Ind AS 109 "Financial Instruments", all financial assets are required to be initially recognized at fair value. The Company has fair valued the security deposits under Ind AS at its initial recognition. Difference between the fair value and transaction value of the security deposit has been recognized as prepayment lease rental (part of ROU asset) which has been amortised over its lease term. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income grouped under 'other income'.

**(ii) Impact of Leases due to adoption of Ind AS 116**

Under Previous GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under Ind AS 116, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to Ind AS, the Company applied the modified retrospective approach and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS. Right-of-use assets were measured at the amount equal to the lease liabilities.

**(iii) Impairment allowance for expected credit losses**

Under Previous GAAP, the Company has created provision for impairment of receivables based on the incurred loss model. Under Ind AS, impairment loss has been determined as per Expected Credit Loss (ECL) model. The difference between the provision amount as per previous GAAP and Ind AS - ECL is recognized in retained earnings on date of transition and subsequently in the statement of profit and loss.

**(iv) Deemed cost of property, plant and equipment and intangible assets**

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2022 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.





**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS***(All amounts in INR Millions, unless otherwise stated)***Note 25: Fair Value Measurement****A The Carrying Value of Financial Assets by Categories is as follows:**

	As at 31 March 2022
<b>Financial assets valued at amortized cost</b>	
Other Financial assets	2.82
Trade Receivables	74.20
Bank and bank balance other than cash and cash equivalents	2.91
Cash and cash equivalents	-
<b>Total financial assets measured at Cost</b>	<b>79.93</b>
<b>Total financial assets</b>	<b>79.93</b>

**B The Carrying Value of Financial Liabilities by Categories is as follows:**

	As at 31 March 2022
<b>Measured at amortized cost</b>	
Borrowings	-
Lease liabilities	-
Trade Payable	141.84
Other Financial liabilities	19.77
<b>Total financial liabilities measured at amortised cost</b>	<b>161.60</b>

**C Fair value hierarchy**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date other than in a forced or liquidation sale.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Financial Information. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

**(i) The following methods and assumptions were used to estimate the fair values:**

- (a) The management assessed that cash and cash equivalent, trade receivables, trade payables, other financial assets (current), other financial liability (current), bank overdraft and cash credit, lease liabilities (current) and loans to employees approximates their fair value largely due to short-term maturities of these instruments.

- (b) The fair value of remaining financial instruments are determined on transaction date based on discounted cash flows calculated using lending/ borrowing rate. Subsequently, these are carried at amortized cost. The carrying amount of the remaining financial instruments are the reasonable approximation of their fair value.

- (c) For financial assets carried at fair value, their carrying amount are equal to their fair value.






**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

*(All amounts in INR Millions, unless otherwise stated)*

**Note 26: Financial risk management**

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. Group's principal financial liabilities comprises borrowings, trade and other payables. The main purpose of these financial liability is to finance Group's operation. Group's principal financial asset include cash and cash equivalent, that directly derive from its business.

**A Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its position and maintains adequate source of financing.

**(i) Maturities of financial liabilities**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments at each reporting date:

	As at 31 March 2022				
	On demand	Upto 1 year	1 to 5 years	More than 5 years	Total
<b>Non-current</b>					
Borrowings	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
<b>Current</b>					
Borrowings	-	-	-	-	-
Lease Liabilities	-	-	-	-	-
Trade payables	-	-	141.84	-	141.84
Other financial liabilities	-	-	19.77	-	19.77
<b>Total</b>	-	-	<b>161.60</b>	-	<b>161.60</b>

**B Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and credit risk. The details are given below :

**(i) Credit Risk**

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk is managed through periodic assessment of the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of trade receivables. Other financial instruments that are subject to credit risk includes cash and cash equivalents, bank deposits, loans and security deposits.

The credit risk on cash and cash equivalents and bank deposits is limited because the counterparties are banks with high credit ratings.

The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company does a credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Group also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk.

**(ii) Foreign currency risk**

The Company has limited international transactions and thus its exposure to foreign exchange risk arising from its operating activities is low. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. To mitigate the Company's exposure to foreign currency risk, non-INR Cash Flows are monitored in accordance with the Company's risk management policies.

**C Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**Interest rate exposure**

The Group's variable rate borrowing is subject to interest rate changes. Below is total outstanding borrowings:

Particulars	As as 31st March, 2022
Variable rate borrowings	-
Fixed rate borrowings	-
<b>Total borrowings</b>	<b>-</b>



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**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

*(All amounts in INR Millions, unless otherwise stated)*

**Note 27: Capital management policies and procedures**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value and to ensure the Company's ability to continue as a going concern. The capital management focuses to maintain an optimal structure that balances growth and maximizes shareholder value.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Convertible Preference Shares and current borrowing from ultimate holding company of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The amount managed as capital by the Company are summarized as follows:

Particulars	As at 31 March 2022
<b>Total Equity (i)</b>	<b>(14.55)</b>
Total borrowings	-
Less: Cash and bank balances (including deposits with banks)	2.91
<b>Total debt (ii)</b>	<b>2.91</b>
<b>Overall financing (iii)= (i)+(ii)</b>	<b>(11.63)</b>
<b>Gearing ratio (ii)/(iii)</b>	<b>-25.04%</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024, March 31, 2023 and April 1, 2022.



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**LAXMI DENTAL LAB USA INC.**

**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

*(All amounts in INR Millions, unless otherwise stated)*

**Note 28: Related Party Disclosure**

(with whom transactions entered into during the financial year)

**A List of Related Parties with whom transactions have taken place & Relationship:**

**(i) Relationships : Holding Company**

- Laxmi Dental Export Pvt. Ltd.

**(ii) Relationships : Sister Concern**

- Bizdent Device Pvt. Ltd.

**(iii) Relationships: Key Management Personnel and their Relatives:**

- Rajesh V Khakhar
- Sameer Merchant
- Kunal Merchant
- Amrish Desai
- Parag Bhimjiyani
- Rupal Bhimjiyani
- Sonal Desai

Director  
Director  
Brother of Sameer Merchant  
Brother in law of Rajesh V Khakhar  
Brother in law of Rajesh V Khakhar  
Wife of Parag Bhimjiyani  
Wife of Amrish Desai

**B Transactions with the related parties**

(does not include the transactions entered with the parties after they ceased to be related)

Particulars	For Period Ended on 31st March 2022
<b><u>Laxmi Dental Export Pvt. Ltd.</u></b>	<b>105.75</b>
Purchases	-
Subcontract	96.54
Admin Charges Expenses	5.91
Advertisement Expenses	-
Subscription & License fees	0.02
Sundry Expenses	0.09
Rent Expenses	0.17
Travelling Expenses	0.21
Salary to Staff	2.82
Purchases (Alvy Dental - discontinued operations)	-
Admin Charges Expenses (Alvy Dental - discontinued operations)	-
<b><u>Laxmi Dental Export Pvt. Ltd.</u></b>	<b>38.69</b>
Sales	38.69
<b><u>Bizdent Device Pvt. Ltd.</u></b>	<b>-</b>
Sales	-
<b><u>Remuneration</u></b>	
Kunal Merchant	11.19
Rupal Bhimjiyani	-
Sonal Desai	-
Amrish Desai	-
Parag Bhimjiyani	-

**C Outstanding Balance Payables**

Particulars	For Period Ended on 31st March 2022
Laxmi Dental Export Pvt. Ltd.	90.15
	-

**D Outstanding Balance Receivable**

Particulars	For Period Ended on 31st March 2022
Laxmi Dental Export Pvt. Ltd.	2.09

**E Loans & advances Given**

Particulars	For Period Ended on 31st March 2022
Kunal Merchant	4.55

Note : Reimbursement of expenses in normal course of business have not been included herein above



*(Signature)*

*(Signature)*





**NOTES FORMING PART OF THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS**

**(All amounts in INR Millions, unless otherwise stated)**

**Note 29(i): Additional information**

**i. Title deeds of Immovable Properties not held in name of the Company**

There are no immovable property held by the company.

**ii. Utilisation of Borrowed funds**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**iii. Revaluation of property, plant and equipment (including right-of-use assets) and intangible assets**

The Company has not revalued its property, Plant and Equipment (including Right of use Assets), thus valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.

The Company does not have any Intangible Assets, thus, disclosures relating to revaluation of Intangible Assets is not applicable.

**iv. Details of benami property held**

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

**v. Wilful Defaulter**

The Company has not defaulted nor been declared wilful defaulter by any bank or financial institution or other lender.

**vi. Relationship with struck off companies**

The Company does not have any transactions with the Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

**vii. Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**viii. Compliance with approved Scheme(s) of Arrangements**

The Company has not entered into any scheme of arrangements as approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013, thus, the disclosures relating to compliance with approved scheme of arrangements is not applicable to the Company.

**ix. Undisclosed income**

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961.

**x. Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**Note 29(ii): Subsequent Event**

There are no subsequent events.

**Note 29(iii):** Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

The above balance sheet should be read in conjunction with the accompanying notes.

As per our Report of even date attached

**For ARVIND BAID & ASSOCIATES**

**Chartered Accountants**

Firm Regn. No. 137526W

**Arvind Baid**

Partner

Membership No. 155532

UDIN: 24155532 BKCPCL5A27

Place:- Mumbai

Date:- September 03, 2024

**For and on behalf of the board of directors of**

**LAXMI DENTAL LAB USA INC.**

**Rajesh V Khakhar**

Director

Designation

Place:- Mumbai

Date:- September 03, 2024

**Sameer Merchant**

Director

Designation

Place:-Mumbai

Date:- September 03, 2024