

6. Certificate on financial indebtedness of the Company and its subsidiaries (including principal terms of borrowings included in the Offer Documents) and loans, advances and working capital facilities (sanctioned as well as outstanding) from banks and /or financial institutions as at the agreed cut-off date

To,
The Board of Directors
Laxmi Dental Limited (Formerly known as Laxmi Dental Export Private Limited)
103, Akruti Arcade, J. P. Road,
Opposite A.H. Wadia School,
Andheri West, Mumbai - 400 058,
Maharashtra, India

Dear Sir/Ma'am,

Re: Initial public offering of equity shares (the "Equity Shares") of Laxmi Dental Limited (Formerly known as Laxmi Dental Export Private Limited) (the "Company" and such initial public offering, the "Offer")

We, N B T and Co, Chartered Accountants, have been informed that the Company has filed the Draft Red Herring Prospectus with respect to the offer (the "**DRHP**") with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and subsequently proposes to file (i) the Red Herring Prospectus with respect to the Offer (the "**RHP**") with the SEBI, the Stock Exchanges and the Registrar of Companies, Maharashtra at Mumbai ("**Registrar of Companies**" / "**RoC**"); (ii) Prospectus with the SEBI, the Stock Exchanges and the Registrar of Companies (the "**Prospectus**"); and (ii) any other documents or materials in relation to the Offer (such documents or materials collectively with the DRHP, RHP and Prospectus, the "**Offer Documents**").

We have been requested by the Company to verify and confirm the loans, advances and any working capital facilities made by the Company or taken by the Company and to provide a certificate in respect of consolidated financial indebtedness of the Company. In this regard, we have reviewed the audited restated consolidated financial statements of the Company as at six months period ended September 30, 2024 and as at the years ended on March 31, 2024, March 31, 2023, March 31, 2022 (the "**Restated Consolidated Financial Statements**").

We, have reviewed the minutes of the meetings of the Board of Directors of the Company, minutes of annual general meetings and extra-ordinary general meetings of the Company, minutes of the meetings of various committees of the Board of Directors, notices, books of accounts, relevant statutory registers, Restated Consolidated Financial Statements of the Company as at and for the six months period ended September 30, 2024 and as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, return of charge filed by the Company with Registrar of Companies, Maharashtra at Mumbai ("**RoC**"), relevant forms and documents filed with the relevant RoC and the Reserve Bank of India, relevant share transfer forms and other documents and accounts presented to us, loan documentation, relevant records, ledger entries and registers of the Company and its subsidiaries; relevant statutory registers and the books of accounts as prepared and provided by the management of the Company and subsidiaries, trial balance as on December 20, 2024 and have made enquiries with the officials of the Company and other relevant documents presented to us.

Based on our examination, as per information and explanation given to us, we hereby are of the opinion that the following details in connection with the loans and advances made by the Company till December 20, 2024 are true, complete and correct.

On the basis of the examination carried out by us and the information, explanations and representations provided to us by the management of the Company, we hereby certify that the particulars of statement of consolidated financial indebtedness of the loan facilities as mentioned in the **Annexure I** as on December 20, 2024.

Except as stated in **Annexure II**, the Company and its Subsidiaries has not provided any guarantees for the repayment of any loans availed by other entities.

Except as stated under **Annexure III**, we confirm that neither the promoter or director of the Company is interested in any loans or advances availed by the Company and its Subsidiaries.

Except as stated under **Annexure IV**, we confirm that the Company has not been provided any loans or advances by any of the Promoters, Directors, KMPs and SMPs.

We are of the opinion that there are no unsecured loans which can be recalled by lenders at any time.

We confirm that the information in this certificate is true, complete and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

We also consent to the inclusion of this certificate as a part of "Material Contracts and Documents for Inspection" in connection with this Offer, which will be available for public for inspection from date of the filing of the RHP until the Bid/ Offer Closing Date.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We have conducted our examination in accordance with the applicable guidance note issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and accordingly, we confirm that we have complied with such Code of Ethics issued by the ICAI.

This certificate may be relied upon by the Company, the Book Running Lead Managers, and the legal counsel appointed by the Company and the Book Running Lead Managers in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to extracts of, or reference to, this certificate being used in the Offer Documents. We also consent to the submission of this certificate as may be necessary, to any regulatory authority and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and in accordance with applicable law.

We confirm that on receipt of any communication from Company of any changes in the information, we will immediately communicate any changes in writing in the above information to the Book Running Lead Managers until the date when the Equity Shares allotted and transferred in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, Book Running Lead Managers and the legal advisors, each to the Company and the Book Running Lead Managers, can assume that there is no change to the above information.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully

For N B T and Co
Chartered Accountants
ICAI Firm Registration Number: 140489W

CA. Neha Nuwal
Partner
Membership No.: 157137
Place: Mumbai
Date: January 7, 2025
UDIN: 25157137BMKXOC9904

cc:

Book Running Lead Managers		
Nuvama Wealth Management Limited 801 - 804, Wing A, Building No 3, Inspire BKC, G Block Bandra Kurla Complex, Bandra East Mumbai - 400 051, Maharashtra, India	Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah Sayani Road Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025 Maharashtra, India	SBI Capital Markets Limited 1501, 15th Floor, A & B Wing Parinee Crescenzo G Block, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051 Maharashtra, India

Legal Counsel to the Company as to Indian Law	Legal Counsel to the Book Running Lead Managers as to Indian Law
Cyril Amarchand Mangaldas 5th Floor, Peninsula Chambers Peninsula Corporate Park Ganpatrao Kadam Marg Lower Parel Mumbai 400 013 Maharashtra, India	Trilegal One World Centre, 10 th Floor, Tower 2A and 2B Senapati Bapat Marg Lower Parel, Mumbai 400 013 Maharashtra, India



Annexure I

Category of borrowing	Sanctioned Amount (₹ in million)	Outstanding amount (₹ in million) as on December 20, 2024
Secured Borrowings		
Cash Credit / SID / Overdraft	277.83	243.26
LAP Loan	229.00	208.94
Working Capital Demand Loan	100.00	47.50
Vehicle Loan	8.70	2.06
Total (A)	615.53	501.76
Unsecured Borrowings		
Loan from Related Parties	20.30	13.78
Total (B)	20.30	13.78
Total (A+B)	635.83	515.54

Principal terms of our outstanding borrowings ("Borrowings") availed by the Company and its Subsidiaries:

- Tenor:** The tenor of the cash credit/ working capital demand loan availed by the Company and its Subsidiaries is typically between 90 days to 180 months and the tenor of vehicle loan and LAP facilities availed by the Company and its Subsidiaries is typically 60 to 120 months.
- Interest rate:** In terms of the facilities availed by the Company and its Subsidiaries, the interest rate typically comprises a base rate plus applicable margin of the specified lender. The spread varies between different facilities, ranging from 7.60% per annum to 16.00% per annum.
- Pre-payment:** For the loans availed by the Company, it have the option to prepay the lenders, in part or in full the debt together with all interests, prepayment premium and other charges including to pay a pre-payment penalty between 2.00% to 5.00%, which may be lower subject to meeting certain time thresholds and monies due and payable to the bank up to the due date. Some of these loans provide for prepayment subject to the consent of the lender or a notice of prepayment to be given to the lender.
- Security:** In terms of the borrowings by the Company and its Subsidiaries where security needs to be created, security is created by way of, among other things,
 - corporate guarantee of ASY properties LLP;
 - guarantee of National Credit Guarantee Trustee Company (NCGTC);
 - second charge by way of hypothecation on moveable properties, receivables and current assets of the Company; and
 - exclusive charge by way of hypothecation on current assets and receivables of the Company.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by the Company and its Subsidiaries.
- Validity and Repayment:** The Company's facilities are typically repayable on demand with an option for annual review for each of the sub-limits and there may exist certain exclusive provisions of repayment for each of the sub-limits, subject to the facility documentation for each lender.
- Restrictive Covenants:** The Company's financing arrangements entail various conditions and covenants restricting certain corporate actions and are required to take prior approval of the lender before carrying out such activities, without which, it would result in an event of default under the financing arrangements. For instance, certain actions prior to which the Company and its Subsidiaries are required to obtain written consent of the lenders before carrying out such activities, including, among others, for:
 - undertaking any new project or expansion;

- (b) raising any term loans/debentures or incurring major capital expenditure;
- (c) change in shareholding of the Company;
- (d) change in shareholding of the management of the Company;
- (e) change in memorandum of association or articles of association or any constitutional documents of the Company;
- (f) giving any loans and advances to subsidiary and group concerns;
- (g) making any investments either directly or through its subsidiaries;
- (h) compounding or releasing any of the book debts due to the Company;
- (i) issuing corporate guarantee on behalf of its group or sister concerns; and
- (j) creating mortgage, charge, lien or other encumbrance on the properties of the Company and the Promoter Rajesh Khakhar comprised in the mortgage security.

This is an indicative list and there may be additional restrictive conditions and covenants under the various borrowing arrangements entered into by the Company and its Subsidiaries.

7. **Events of default:** Borrowing arrangements entered into by the Company and the Subsidiaries, contain certain events, the occurrence of which, will constitute an event of default, including:

- (a) default has occurred in the payment or repayment of any monies in respect of the facility on the due dates;
- (b) default other than a payment default has occurred in the performance of any covenant or condition on the part of the Company or any other person under the transaction documents;
- (c) the Company or any other person is in breach of performance of any covenant, condition or agreement under the transaction documents;
- (d) the Company and/or any of its subsidiaries is unable or has admitted its inability to pay any of its indebtedness to any bank or financial institutions;
- (e) Any material change in the ownership or management of the Company which in the sole opinion of the bank would prejudicially affect the interest of the bank;
- (f) Any material adverse change, as determined solely by the bank, in the business of the Company, which in the sole opinion of the bank is prejudicial to the interests of the bank; and
- (g) Proceeds of the facility, either in part or in full, shall not be utilized for capital market activities, land acquisition, real estate activities, acquisition of equity in companies, buyback of shares of company, and/or any illegal/prohibited activities.

This is an indicative list and there may be additional events that might constitute an event of default under the various borrowing arrangements entered into by the Company and its Subsidiaries.

8. **Consequences of occurrence of events of default:** In terms of the loan facility, upon the occurrence of events of default, the lenders of the Company and its Subsidiaries may:

- (a) Modify, reduce, cancel or accelerate the facility, in whole or in part, whereupon all outstanding amounts owed under the facility shall become immediately due and payable by the Company;
- (b) Declare the security, if any, created pursuant to the terms of the transaction documents to be enforceable and take all such steps as are deemed necessary to enforce the security and recover the outstanding amount;
- (c) Terminate or suspend the facility;

- (d) On the occurrence of an event of default, the bank may, exercise any right, power or remedy permitted to it by law, including by suit, in equity, or by action at law, or both, or otherwise, whether for specific performance of any covenant, condition or term contained in the transaction documents or for an injunction against a violation of any of the terms and conditions of the transaction documents, or in aid of the exercise of any power or right granted in transaction documents and/or as a creditor; and
- (e) Accelerate the repayment of loan including the outstanding dues.



Annexure II

The following table sets forth the details of Company provided guarantees for the repayment of any loans availed by other entities as on December 20, 2024:

Sr. No.	Name of Entity Issuing the Guarantee	Name of Beneficiary	Sanctioned Amount (₹ in Million)	Purpose	Validity
1.	Laxmi Dental Limited	Bizdent Devices Private Limited	49.90	CC limit from ICICI Bank	July 11, 2025



Annexure III

Nil



Annexure IV

Category of borrowing	Sanctioned Amount (₹ in million)	Outstanding amount (₹ in million) as on December 20, 2024
Unsecured Borrowings		
Loan from Promoters, Directors, KMPs and SMPs	20.30	13.78
Total	20.30	13.78

a. Guarantees by Promoter Selling Shareholders:

Name of the Promoter Selling Shareholder	Amount of the Guarantee as on October 31, 2024 (Rs. in Million)	Purpose/ Type of facility	Obligations of the Company	Individual/entity in whose favor the guarantee has been provided.	Period	Financial implications in event of default	Security available	Documents verified
Rajesh Vrajlal Khakhar	250.00	For working capital purposes – cash credit limit	NA	ICICI Bank Limited	December 11, 2025 and Working capital March 11, 2025	Upfront	Akruti arcade, Opp A H Wadia School, Mumbai - 400053	Sanction letter
Sameer Kamlesh Merchant								
Rajesh Vrajlal Khakhar	109.00	Term loan 1. Takeover of existing facility from Indus bank 2. General corporate purpose	NA	Tata Capital Services Private Limited	October 15, 2029	1.Irrevocable personal Guarantee 2.Guarantor in capacity of owner of the property and amount is restricted to the tune of fair market value of the property	1. Industrial Gala, Shreyas Industrial Estate, Mumbai – 400053 2.Akruti arcade, Opp A H Wadia School, Mumbai - 400053	Sanction letter
Sameer Kamlesh Merchant								
Rajesh Vrajlal Khakhar	15.90	For working capital purpose – loan against property	NA	Standard Chartered	180 months	Residential property of Rajesh Khakhar	Oshiwara, Tarapore Garden CHSL, off. Andheri west, Mumbai - 400053	Sanction letter
Sameer Kamlesh Merchant								
Rajesh Vrajlal Khakhar	50.00	Working capital loan	NA	Capsave Finance	October 24, 2025	Upfront	-	Sanction letter
Sameer Kamlesh Merchant								
Rajesh Vrajlal Khakhar	49.90	For working capital purposes	NA	ICICI Bank Limited	July 11, 2025	Unconditionally, irrevocably and absolutely guarantee the Guaranteed Obligations to the Bank	Akruti arcade, Opp A H Wadia School, Mumbai - 400053	Sanction letter
Sameer Kamlesh Merchant								

Rajesh Vrajlal Khakhar	7.50	For working capital purposes	NA	ICICI Bank Limited	January 22, 2025	Personal property of Rajesh Khakhar given as collateral security	Akruti arcade , Opp A H Wadia School, Mumbai - 400053	Sanction letter
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