

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of Bizdent Devices Private Limited**

**Report on the Audit of the Special Purpose Financial Statements**

**Opinion**

We have audited the accompanying Special Purpose Financial Statements of **Bizdent Devices Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2023, Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the Special Purpose Financial Statements, including a summary of material accounting policies and other explanatory information and disclosure (collectively referred to as the "Special Purpose Financial Statements"). The Special Purpose Financial Statements have been prepared by the Management of the Company and approved by the Board of Directors of the Company in accordance with the recognition and measurement principles of Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other recognised accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Financial Statements of the Company for the year ended March 31, 2023, are prepared in all material aspects, in accordance with the recognition and measurement principles Indian Accounting Standards and other recognised accounting principles generally accepted in India.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities section of our report for the audit of the Special Purpose Financial Statements. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

**Basis of preparation and Restriction on distribution and use**

We draw attention to Note 2.1 to the Special Purpose Financial Statements which describes the purpose and basis of preparation of the Special Purpose Financial Statements. The Special Purpose 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

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("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 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. M S K A & Associates 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.

Our opinion is not modified in respect of this matter.

#### **Responsibilities of Management and Those charged with Governance for Special Purpose Financial Statements**

Management is responsible for the preparation and fair presentation of these Special Purpose Financial Statements in accordance with recognition and measurement principles of Indian Accounting Standards and other recognised accounting principles generally accepted in India for the purpose set out in paragraph above, and this includes design, implementation, and maintenance of such internal controls as management determines necessary to enable the preparation of these Special Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Those Charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Financial Statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Financial Statements.





## Other Matters

1. The Statutory Financial Statements of the Company prepared in accordance with the Accounting Standards specified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, were audited by another auditor Abhay Subhash & Associates whose report dated August 31, 2023, expressed an unmodified opinion.
2. As informed to us by the management of the Company, the predecessor auditor do not hold a valid peer review certificate as issued by the 'Peer Review Board' of the ICAI and have therefore, expressed their inability to perform any work on the Restated Financial information for the year ended March 31, 2023 to be included in Offer Documents. 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 Financial Statements of the Company for the year ended March 31, 2023.
3. Since we were not the statutory auditors of the Company for the year ended March 31, 2023, we had not participated in the physical verification of inventories that was carried out by the management as of the year end. Accordingly, 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.
4. These Special Purpose Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in DRHP in relation to proposed IPO of the Parent Company. Hence these Special Purpose Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information. Accordingly, no comparative figures are also presented in these financial statements.

Our Opinion is not modified in respect of these matters.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Nitin Tiwari

Partner

Membership No. 118894

UDIN:24118894BKGQJB8332



Place: Mumbai

Date: September 03, 2024

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF BIZDENT DEVICES PRIVATE LIMITED

### Auditor's Responsibilities for the Audit of the Special Purpose 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the Company has internal financial controls with reference to Special Purpose Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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 overall presentation, structure, and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.





# MSKA & Associates

Chartered Accountants

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W



Nitin Tiwari  
Partner  
Membership No. 118894  
UDIN: 24118894BKGQJB8332



Place: Mumbai  
Date: September 03, 2024



**Bizdent Devices Private Limited**  
**Special Purpose Balance Sheet for the year ended 31 March 2023**  
 (All amounts are in INR million except per share data or as otherwise stated)

	Notes	As at 31 March 2023
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	5	21.58
Other Intangible assets	6	3.33
Right-of-use assets	7	11.09
Financial Assets		
Other financial assets	9	1.28
Current tax assets (net)	10	0.31
Deferred tax assets (net)	29	0.20
<b>Total Non-Current Assets (A)</b>		<b>37.79</b>
<b>Current Assets</b>		
Inventories	11	13.62
Financial assets		
Trade receivables	13	16.96
Cash and cash equivalents	14	1.33
Loans	12	0.05
Other financial assets	15	0.06
Other current assets	16	14.91
<b>Total Current Assets (B)</b>		<b>46.93</b>
<b>Total Assets (A+B)</b>		<b>84.72</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	17	7.33
Other equity	17	10.24
<b>Total Equity (C)</b>		<b>17.57</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Financial liabilities		
Lease liabilities	8	6.75
Provisions	18	0.72
<b>Total Non-Current Liabilities (D)</b>		<b>7.47</b>
<b>Current Liabilities</b>		
Financial liabilities		
Lease Liabilities	8	5.34
Trade payables		
-Total outstanding dues of micro and small enterprises	19	2.32
-Total outstanding dues of creditors other than micro and small enterprises	19	31.30
Other financial liabilities	20	4.76
Other current liabilities	21	15.58
Provisions	18	0.38
Current tax liability (net)	22	-
<b>Total Current Liabilities (E)</b>		<b>59.68</b>
<b>Total Liabilities (D+E)</b>		<b>67.15</b>
<b>Total Equity and Liabilities (C+D+E)</b>		<b>84.72</b>

Summary of material accounting policies 1 to 3  
 The accompanying notes (4-43) are an integral part of the financial statements.

As per our report of even date attached  
 For M S K A & Associates  
 Chartered Accountants  
 ICAI Firm Registration No: 105047W

  
 Nitin Tiwari  
 Partner  
 Membership No: 118894



Place: Mumbai  
 Date: September 03, 2024

For and on behalf of the Board of Directors  
 Bizdent Devices Private Limited  
 CIN:U33203MH2021PTC357799

  
 Sameer K Merchant  
 Director  
 DIN No.: - 00679893






  
 Rajesh V Khakkar  
 Director  
 DIN No.: - 00679903

Place :Mumbai  
 Date: September 03, 2024

Place :Mumbai  
 Date: September 03, 2024





Bizdent Devices Private Limited		
Special Purpose Statement of Profit & Loss for the year ended 31 March 2023		
(All amounts are in INR million except per share data or as otherwise stated)		
	Notes	For the year ended 31 March 2023
<b>Income</b>		
Revenue from contracts with customers	22	186.99
Other Income	23	3.93
<b>Total Income</b>		<b>190.92</b>
<b>Expenses</b>		
Cost of material consumed	24	36.64
Employee benefits expenses	25	33.80
Finance costs	26	1.26
Depreciation and amortization expenses	27	9.06
Other expenses	28	105.83
<b>Total Expenses</b>		<b>186.59</b>
<b>Profit before tax for the year</b>		<b>4.33</b>
<b>Tax Expense:</b>		
(1) Current tax	29	1.96
(2) Adjustment of tax relating to earlier periods	29	-
(3) Deferred tax	29	(0.12)
		1.84
<b>Profit for the year</b>		<b>2.49</b>
<b>Other comprehensive income:</b>		
Items that will not be reclassified to profit or loss		
Remeasurement gain of net defined benefit plan	31	0.12
Income tax effect on above	31	(0.02)
<b>Other comprehensive income for the year</b>		<b>0.10</b>
<b>Total comprehensive income for the period/year (VI+VIII)</b>		<b>2.60</b>
<b>Earnings Per Equity Share (Face Value of Rs. 10 each)</b>		
Basic (INR)	30	3.40
Diluted (INR)	30	1.12
Summary of material accounting policies	1 to 3	
The accompanying notes (4-43) are an integral part of the financial statements.		
As per our report of even date attached		
For M S K A & Associates Chartered Accountants ICAI Firm Registration No: 105047W		For and on behalf of the Board of Directors Bizdent Devices Private Limited CIN:U33203MH2021PTC357799
 Nitin Tiwari Partner Membership No: 118894	 Sameer K Merchant Director DIN No.: - 00679893	 Rajesh V Khakkar Director DIN No.: - 00679903
Place: Mumbai Date: September 03, 2024	Place: Mumbai Date: September 03, 2024	Place: Mumbai Date: September 03, 2024
		



**Bizdent Devices Private Limited**  
**Special Purpose Cash flow statement for the year ended 31 March 2023**  
 (All amounts are in INR million except per share data or as otherwise stated)

Particulars	For the year ended 31 March 2023
<b>Cash flow from operating activities</b>	
Profit before tax	4.33
Adjustments for:	
Depreciation and amortisation expenses	9.06
Finance costs	1.26
Interest Income	0.00
Interest income on security deposits	(0.11)
Unrealised exchange gain, net	(0.01)
<b>Operating Profit before working capital changes</b>	<b>14.53</b>
<b>Working capital adjustments</b>	
-(increase) / decrease in Trade receivables	(3.85)
-(increase) / decrease in Inventories	(6.21)
-(increase) / decrease in Other non-current financial assets	(1.01)
-(increase) / decrease in Other current financial assets	(0.51)
-(increase) / decrease in Other current and non current	(2.91)
-Increase / (decrease) in Trade payables	18.72
-Increase / (decrease) in Other current liabilities	10.11
-Increase / (decrease) in Other financial liabilities	2.86
-Increase / (decrease) in Provisions	0.48
<b>Cash generated from operations</b>	<b>32.21</b>
Income tax paid (net)	(2.21)
<b>Net cash provided by operating activities (I)</b>	<b>30.00</b>
<b>Cash flows from investing activities</b>	
Purchase of Property, Plant and Equipment	(21.55)
Purchase of Intangible Assets	(3.63)
<b>Net cash generated used in investing activities (II)</b>	<b>(25.18)</b>
<b>Cash flow from financing activities</b>	
Principal payment of lease liabilities	(3.20)
Interest paid on lease liability	(1.26)
<b>Net cash generated used in financing activities (III)</b>	<b>(4.46)</b>
<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>0.36</b>
Cash and cash equivalents at the beginning of the year	0.97
<b>Cash and cash equivalents at the end of the year</b>	<b>1.33</b>

- Notes**
- (i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7- 'Cash Flow Statements'.
- (ii) Break-up of Cash and cash equivalents at the end of the year

	As at 31 March 2023
Cash on hand	0.03
Balances with banks	
- in current accounts	1.30
<b>Balances as per statement of cash flow</b>	<b>1.33</b>
Non- cash investing activity	
Acquisition of ROU	15.53

(iii) Change in liabilities arising from financing activities

	As at 1 April 2022	Cash flows	Non-cash changes	As at 31 March 2023
Borrowing	0.03	-	-	0.03
Lease liabilities	1.66	10.63	(0.20)	12.09

Summary of material accounting policies 1 to 3  
 The accompanying notes (4-43) are an integral part of the financial statements.

As per our report of even date attached  
 For M S K A & Associates  
 Chartered Accountants  
 ICAI Firm Registration No: 105047W

  
 Nitin Tiwari  
 Partner  
 Membership No: 118894

Place: Mumbai  
 Date: September 03, 2024



For and on behalf of the Board of Directors  
 Bizdent Devices Private Limited  
 CIN:U30203MH2021PTC357799

  
 Sameer K Merchant  
 Director  
 DIN No.: - 00679893

Place: Mumbai  
 Date: September 03, 2024

  
 Rajesh V Khakkar  
 Director  
 DIN No.: - 00679903

Place: Mumbai  
 Date: September 03, 2024





**Bizdent Devices Private Limited**  
**Special Purpose Statement of Changes in Equity for the year ended 31 March 2023**  
 (All amounts are in INR million except per share data or as otherwise stated)

**A Equity share capital**

Particulars	No. of shares	Amount
233,334 Equity shares of INR 10/- each issued, subscribed and fully paid		
2,000,000 Equity shares of INR 2.50/- each issued, subscribed and partly paid up		
As at 1 April 2022	2,233,334	7.33
Increase/(decrease) during the year		
At 31 March 2023	2,233,334	7.33

**B Other Equity**

	Other Equity		
	Retained earnings	Securities premium	Total
As at 1 April 2022	(5.12)	12.77	7.65
Total Comprehensive Income for the year			
Profit/(loss) for the year	2.49	-	2.49
Other Comprehensive Income/(Loss) for the year	0.10	-	0.10
At 31 March 2023	(2.52)	12.77	10.25

Summary of material accounting policies 1 to 3  
 The accompanying notes (4-43) are an integral part of the financial statements.

As per our report of even date attached  
 For M S K A & Associates  
 Chartered Accountants  
 ICAI Firm Registration No: 105047W



Nitin Tiwari  
 Partner  
 Membership No: 118894

Place: Mumbai  
 Date: September 03, 2024

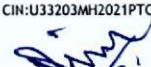




Sameer K Merchant  
 Director  
 DIN No.: - 00679893

Place: Mumbai  
 Date: September 03, 2024

For and on behalf of the Board of Directors  
 Bizdent Devices Private Limited  
 CIN:U33203MH2021PTC357799



Rajesh V Khakkar  
 Director  
 DIN No.: - 00679903

Place: Mumbai  
 Date: September 03, 2024



**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
(All amounts are in INR million except per share data or as otherwise stated)

**1 Corporate Information**

Bizdent Devices Private Limited ("the company") is a private limited company with CIN: U33203MH2021PTC357799 domiciled and incorporated in India. The Company was incorporated on 24 March 2021 under the Companies Act, 2013 as a private limited company. Its registered office is situated at 601, Akruiti Arcade, JP Road, Opp. A H Wadia High School, Andheri West, Mumbai- 400058. The Company is primarily engaged in the business of manufacturing and selling of Dental Alligners.

**2 Material Accounting Policies**

**2.1 Basis of preparation**

**(a) Statement of Compliance**

The Special Purpose Ind AS Financial Statements of the Company comprises the Special Purpose Balance Sheet as at 31 March 2023, the Special Purpose Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Statement of Changes in Equity, the Special Purpose Statement of Cash Flows and Notes forming part of the Special Purpose Ind AS Financial Statements for the year ended 31 March 2023 and summary of material accounting policies and explanatory notes (collectively referred as, the 'Special Purpose Ind AS Financial Statements') that have been prepared by the management of the Company for the purpose of preparation of the restated Consolidated financial information to be included in the Draft Red Herring Prospectus (the "DRHP") to be filed by the Holding Company 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 Ind AS 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 "ICDI Regulations");
- (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), a 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 ("SEB 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 2024, were the first general purpose financials statements, prepared in accordance with Ind AS. Upto for the financial year ended 31 March 2023, the Company had prepared its general purpose financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Companies (Accounting Standards) Rules, 2021 ("Indian GAAP" or "Previous GAAP") due to which the Special Purpose Ind AS financial statements are prepared as per SEBI Communication. Further, these Special Purpose Ind AS Financial Statements are not the statutory financial statements of the Company under the Act.

The Special Purpose Ind AS Financial Statements as at and for the year ended 31 March 2023, has been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ('Ind AS') after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (1 April 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the period ended 31 March 2024 pursuant to the SEBI Communication. Accordingly, these Special Purpose Ind AS Financial Statements for year ended 31 March 2023 are not the statutory financial statements of the Company and do not include all the disclosures applicable to statutory financial statements prepared under the Companies Act, 2013.

These Special Purpose Ind AS Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in DRHP in relation to proposed IPO by Holding Company. Hence this Special Purpose Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Financial Information. Accordingly, no comparative figures are also presented in these financial statements.

These Special Purpose IND AS Financial Statements of the Company as at and for the year ended March 31, 2023, were approved by the Board of Directors at their meeting held on 3 September 2024.

**(b) Basis of measurement**

These Special purpose Ind AS financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Net Defined Benefit obligations

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

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
  - ▶ It is held primarily for the purpose of trading
  - ▶ It is due to be settled within twelve months after the reporting period, or
  - ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

**(d) Going Concern**

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





Bizdent Devices Private Limited  
Notes to Special Purpose Financial Statements for the year ended 31 March 2023  
(All amounts are in INR million except per share data or as otherwise stated)

(e) Use of estimates

The preparation of Special Purpose Financial Statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the Special Purpose Financial Statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 2.2 (a) for details on estimates and judgments.

(f) Presentation currency and rounding off

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

2.2 Summary of material accounting policies

(a) Use of Estimates and Judgements

The preparation of the Special Purpose Financial Statements 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.

Critical accounting estimates:

a) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

b) 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.

c) Defined benefit plans and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

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 a lease. The discount rate is generally based on the incremental borrowing rate.

(b) 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.

(c) Revenue Recognition

The Company derives revenue primarily from manufacturing and selling of Dental Alligners.

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue is recognised at the point in time when the customer obtains the control of goods.

(d) 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 Weighted Average Basis.





**Bizdent Devices Private Limited**

**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**

(All amounts are in INR million except per share data or as otherwise stated)

**(e) 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) Depreciation:**

Depreciation is provided, under the Written down value (WDV) basis, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The range of useful lives of the Property, Plant and Equipment are as follows:

Air conditioner	15 Years
Computer	3 Years
Furniture and fixtures	10 Years
Office Equipments	5 Years
Air conditioner	5 Years

**(iii) Intangible assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. All directly attributable costs and other administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

**(iv) Impairment of assets**

As at the end of each financial year, the carrying amounts of PPE, intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, PPE, intangible assets are tested for impairment so as to determine the impairment loss, if any. Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined at the higher of the fair value less costs of disposal and the value-in-use. (The amount of value-in-use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the Company and from its disposal at the end of its useful life.

For this purpose, the discount rate (post-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset). If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss recognised earlier is subject to full or partial reversal, the carrying amount of the asset, is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the

**(v) Leases**

The Company leases most of its office facilities under operating lease agreements that are renewable on a periodic basis at the option of the lessor and the lessee. The lease agreements contain rent escalation clauses.

The Company assesses whether a contract contains a lease at the inception of the contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset, (ii) the company has the right to obtain substantially all of the economic benefits from the use of the asset through the period of the At the date of commencement of the lease, the Company recognises a ROU asset and a corresponding lease liability for all lease arrangements under which it is a lessee, except for short-term leases and low value leases. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the company's obligation to make lease payments arising from the lease. The company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a The lease arrangements include options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the date of commencement of the lease on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The Company uses its incremental borrowing rate (as the interest rate implicit in the lease is not readily determinable) based on the information available at the date of commencement of the lease in determining the present value of lease payments. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment as to whether it will exercise an extension or a termination option.





Bizdent Devices Private Limited  
Notes to Special Purpose Financial Statements for the year ended 31 March 2023  
(All amounts are in INR million except per share data or as otherwise stated)

(vi) Financial Instruments

(A) Financial assets:

(a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit and loss, and
- those measured at amortised cost

(b) Initial recognition

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are measured at transaction price.

(c) Measurement

Subsequent to initial recognition, financial assets are measured as described below:

Cash and cash equivalents:

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks (three months or less from the date of acquisition). For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks (three months or less from the date of acquisition), net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(d) Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Trade receivables
- (b) Loans and other financial assets

The Company applies the simplified approach for determining the lifetime ECL allowance for trade receivables, using the Group's historical credit loss experience adjusted for factors that are specific to the debtor.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses on a forward looking basis. However, if the credit risk on the financial instruments has increased significantly since the initial recognition, then the

The impairment assessment is performed annually and the amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain/loss under " Other Expenses " in the Restated Consolidated Statement of Profit and Loss.

(e) Derecognition of financial assets

The Company derecognises a financial asset when

- the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109.
- the company retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

(B) Financial liabilities:

(a) Initial recognition and measurement

Financial liabilities are classified as financial liabilities at amortised cost. All financial liabilities are recognized initially at fair value, except in the case of borrowings which are recognised at fair value, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, bank overdrafts, borrowings and lease liabilities.



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**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
(All amounts are in INR million except per share data or as otherwise stated)

**(b) Subsequent measurement**

After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest rate method.

**(c) 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.

**(f) Employee benefits<sup>o</sup>**

Company's employee benefit obligations include short-term obligations, compensated absences and post-employment obligations which includes gratuity plan and contributions to provident fund.

**(a) Short-term obligations**

Liabilities for salaries, wages and bonus, that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(b) Compensated absences**

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on number of days of unutilized leave at each balance sheet date based on an estimated basis for the period end and on an independent actuarial valuation under Projected Unit Cost method at the year end.

**(a) Defined benefit plan**

Employees are entitled to a defined benefit retirement plan (i.e. Gratuity) covering eligible employees of the Company. The plan provides for a lump-sum payment to eligible employees, at retirement, death, and incapacitation or on termination of employment, of an amount based on the respective employees' salary and tenure of employment. Vesting occurs upon completion of five years of service.

Gratuity liabilities are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. The Company recognises the obligation of a defined benefit plan in its balance sheet as a liability in accordance with Ind AS 19 - "Employee Benefits." The discount rate is based on the government securities yield. Re-measurements, comprising actuarial gains and losses are recorded in other comprehensive income in the period in which they arise. Re-measurements recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in Statement of Profit and Loss in the period of plan amendment.

Costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognised in profit or loss.

**(d) Defined contribution plans**

The defined contribution plan is a post-employment benefit plan under which the company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

**(g) 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.

**(h) Income taxes**

Income tax comprises of current tax and deferred tax.

**(i) 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.

**(ii) 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.

(vii) **Statement of Cash Flows**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the profit before tax excluding exceptional items for the effects of:

- (i) changes during the period in inventories and operating receivables and payables;
- (ii) non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows.

(viii) **Earnings per share**

Basic earnings per share is computed using the net profit or loss after tax and weighted average number of shares outstanding during the year.  
Diluted earnings per share is computed using the net profit or loss after tax and weighted average number of equity and potential equity shares outstanding during the year, except where the result would be anti-dilutive

(ix) **Key sources of estimation**

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions made by management are explained under respective policies. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans etc.

**3 Changes in accounting policy and disclosures**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company has voluntarily applied these amendments for the first-time in these Special Purpose Financial Statements since these have been prepared for the limited purposes as specified in paragraph 2.1 above.

(a) **Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Special Purpose Financial Statements.

(b) **Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors**

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments are not expected to have a material impact on these Special Purpose Financial Statements.



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4 First-Time Adoption Of Ind AS

4.1 Exemptions Availed On First Time Adoption of Ind AS

(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.

(ii) Classification and Measurement of Financial Assets

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

(iii) Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

At the date of transition to Ind AS, the Company has availed exemption given under Ind AS 101 i.e. A first-time adopter may elect not to apply the requirement in paragraph D9B to leases for which the lease term ends within 12 months of the date of transition to Ind AS. Instead, the entity shall account for these leases as if they were short term leases accounted for in accordance with paragraph 6 of Ind AS 116.

(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 1 April 2022 and as at 31 March 2023
- (b) Reconciliation of total comprehensive income for the year ended 31 March 2023
- (c) Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2023

(i) Reconciliation of total equity as at 1st April 2022 and 31 March 2023

Particulars	Note	As at 31 March 2023	As at 1 April 2022
Total equity (shareholder's funds) as per Indian GAAP		29.51	16.34
Adjustments:			
Adjustment to revenue due to change in timing of revenue recognition	(i)	(11.20)	(1.00)
Fair valuation of security deposit	(ii)	0.11	-
Impact on account of adoption of Ind AS 116	(iii)	(1.40)	-
Provision for impairment loss allowance	(iii)	(0.11)	-
Remeasurement of defined employee benefit plans	(iv)	-	(0.16)
Deferred Tax on Ind AS Adjustments	(v)	0.22	0.03
Others	(vii)	0.43	(0.22)
Total equity (shareholder's funds) as per Ind AS		17.55	14.99

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2023

Particulars	Note	Amount
Profit After Tax As Per Indian GAAP		13.18
Adjustments:		
Adjustment to revenue due to change in timing of revenue recognition	(i)	(10.20)
Fair valuation of security deposit	(ii)	0.11
Impact on account of adoption of Ind AS 116	(iii)	(1.40)
Impairment allowance of expected credit loss	(iv)	(0.11)
Remeasurement of defined employee benefit plans	(v)	0.03
Deferred Tax on Ind AS Adjustments	(vi)	0.21
Others	(vii)	0.64
Total Adjustments		(10.71)
Profit After Tax As Per Ind As		2.47
Other Comprehensive Income		-
Other Comprehensive Income as per Ind AS		0.10
Total Comprehensive Income as per Ind AS		2.57



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(iii) Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2023

Particulars	Previous GAAP	Adjustment on Transition to Ind AS	Ind AS
Net cash flow from operating activities	25.52	4.48	30.00
Net cash flow used in investing activities	(25.16)	(0.02)	(25.18)
Net cash flow used in financing activities	-	(4.46)	(4.46)
Net increase/(decrease) in cash and cash equivalents	0.36	0.00	0.36
Cash and cash equivalents as at 1 April 2022	0.98	(0.01)	0.97
Cash and cash equivalents as at 31 March 2023	1.33	(0.00)	1.33

(D) Notes To First-Time Adoption:

(i) Revenue from contract with customer

Revenue from sale of goods is recognized under IGAAP when the significant risks and rewards of ownership of the goods have passed to the buyer, i.e., when the goods are delivered to the customer.

As per Ind AS, An entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

(ii) Impact of discounting of security deposits under Ind AS 109

Under previous GAAP, interest free lease security deposits are recorded at it's 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 it's 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'.

(iii) 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 transitional provision 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 adjusted by the amount of any prepaid or accrued lease payments.

(iv) 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.

(v) Remeasurement gain/(loss) of net defined benefit plan

Under previous GAAP the Company recognised actuarial gains and losses in the Statement of Profit and Loss. Under Ind AS, all actuarial gains and losses are recognised in the other comprehensive income. Further to the above, the deferred tax impact on above transaction has also been regrouped from Statement of Profit and Loss to other comprehensive income as per guidance under Ind AS 12 'Income taxes'.

(vi) Deferred Tax on Ind As Adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.



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Bizdent Devices Private Limited

Notes to Special Purpose Financial Statements for the year ended 31 March 2023

(All amounts are in INR million except per share data or as otherwise stated)

5 Property, Plant and Equipment

	Office Equipment	Furniture & Fixtures	Computer	Plant & Machinery	Total
<b>Gross block</b>					
Deemed cost at 1 April 2022	0.01	0.08	0.20	3.82	4.11
Additions	1.24	0.22	3.49	16.58	21.54
Disposals/Adjustments	-	-	-	-	-
<b>At 31 March 2023</b>	<b>1.25</b>	<b>0.30</b>	<b>3.69</b>	<b>20.40</b>	<b>25.65</b>
<b>Accumulated Depreciation</b>					
Depreciation charge for the year	0.22	0.03	1.31	2.52	4.07
Disposals/Adjustments	-	-	-	-	-
<b>At 31 March 2023</b>	<b>0.22</b>	<b>0.03</b>	<b>1.31</b>	<b>2.52</b>	<b>4.07</b>
<b>Net block</b>					
<b>At 31 March 2023</b>	<b>1.03</b>	<b>0.28</b>	<b>2.38</b>	<b>17.89</b>	<b>21.58</b>

The Company has elected to continue with the carrying value of its Property, Plant or Equipment recognised as of April 1, 2022 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 'First -time Adoption of Indian Accounting Standards'.

Notes:

The Company has not revalued its Property, Plant and Equipment during the current or previous year.





**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
 (All amounts are in INR million except per share data or as otherwise stated)

**6 Other Intangible Assets**

	Software	Total
<b>Gross block</b>		
Deemed cost at 1 April 2022	-	-
Additions during the year	3.63	3.63
Disposals/ Adjustments	-	-
<b>At 31 March 2023</b>	<b>3.63</b>	<b>3.63</b>
<b>Accumulated Amortisation</b>		
Amortisation charge for the year	0.30	0.30
Disposals/ Adjustments	-	-
<b>At 31 March 2023</b>	<b>0.30</b>	<b>0.30</b>
<b>Net block</b>		
<b>At 31 March 2023</b>	<b>3.33</b>	<b>3.33</b>

The Company has elected to continue with the carrying value of its Intangible Assets recognised as of April 1, 2022 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 'First -time Adoption of Indian Accounting Standards'.



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**Bizdent Devices Private Limited**

**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**

(All amounts are in INR million except per share data or as otherwise stated)

**7 Right of Use Assets**

	Business premises	Total
<b>Gross block</b>		
As at 1 April 2022	1.71	1.71
Additions during the year	15.53	15.53
Disposals/ Adjustments	(1.46)	(1.46)
<b>At 31 March 2023</b>	<b>15.78</b>	<b>15.78</b>
<b>Accumulated Amortisation</b>		
As at 1 April 2022		
Amortisation charge for the year	4.69	4.69
Disposals/ Adjustments	-	-
<b>At 31 March 2023</b>	<b>4.69</b>	<b>4.69</b>
<b>Net block</b>		
<b>At 31 March 2023</b>	<b>11.09</b>	<b>11.09</b>



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**Bizdent Devices Private Limited****Notes to Special Purpose Financial Statements for the year ended 31 March 2023**

(All amounts are in INR million except per share data or as otherwise stated)

**8 Leases - IND AS 116**

The Company has lease contracts for Office Premises used in its operations. Lease terms generally ranges between 1 and 5 years.

The Company assesses whether a contract contains a lease, at inception of a contract. 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.

**A Lease liabilities**

Set out below are the carrying amounts of lease liabilities and the movement during the year/period:

Particulars	As at 31 March 2023
Balance at the beginning of the year/period	1.66
Additions during the year	15.09
Termination during the year	(1.46)
Cash outflows:	
Principal payment of lease liabilities	(3.20)
Interest payment on lease liabilities	(1.26)
Accretion of interest	1.26
Balance at the end of the year/period	<u>12.09</u>

**B The following is the break-up of Lease Liability as at reporting date:**

	As at 31 March 2023
Current	5.34
Non-current	6.75
Total	<u>12.09</u>

**C The Undiscounted lease liabilities of continuing operations by maturity are as follows**

	As at 31 March 2023
Less than one year	6.30
Between one and five years	7.11
After five years	-
Total	<u>13.41</u>

**D Lease Expenses recognised in statement of Profit and Loss not included in the measurement of lease liabilities :**

	As at 31 March 2023
Expense relating to short-term leases (included in other expenses)	-
Total	<u>-</u>



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**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
(All amounts are in INR million except per share data or as otherwise stated)

**9 Other financial assets**

	As at 31 March 2023
Unsecured, considered good	
Security deposits	1.28
<b>Total</b>	<b>1.28</b>

**10 Current tax assets (net)**

	As at 31 March 2023
Advance income tax (Net of provision for tax INR 10.36 ( March 31, 2023 : INR 1.96 & April 1, 2022 : Nil)	0.31
<b>Total</b>	<b>0.31</b>

**11 Inventories**

	As at 31 March 2023
Raw Material	12.70
Finished Goods (stock in transit)	0.92
<b>Total</b>	<b>13.62</b>

Note: Write-downs of inventories to net realisable value amounted to INR 0.93 (31 March 2023 – INR 0.12). These were recognised as an expense during the year and included in statement of profit and loss

**12 Loans**

	As at 31 March 2023
Unsecured, considered good:	
To Others	
Loans given to others	0.05
<b>Total</b>	<b>0.05</b>

**13 Trade Receivables**

	As at 31 March 2023
Unsecured - Considered Good	
Trade Receivables	17.07
Less: Impairment allowance	(0.11)
<b>Total</b>	<b>16.96</b>

**Ageing schedule of Trade receivables:**

As at 31 March 2023	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	12.46	4.45	0.04	0.01	-	-	16.96
Undisputed trade receivables - which have significant increase in credit risk	0.03	0.03	0.04	0.01	-	-	0.11
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less: Impairment allowance	(0.03)	(0.03)	(0.04)	(0.01)	-	-	(0.11)
<b>Total</b>	<b>12.46</b>	<b>4.45</b>	<b>0.04</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>16.96</b>



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**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
 (All amounts are in INR million except per share data or as otherwise stated)

13.1 Movement in Expected Credit Loss during the year.

	As at 31 March 2023
Opening Balance	-
Changes in loss allowance:	
Loss allowance based on Expected credit loss	0.11
Closing Balance	<u>0.11</u>

14 Cash and cash equivalents

	As at 31 March 2023
Cash in hand	0.03
Balances with banks in Current accounts	1.30
Total	<u>1.33</u>

15 Other financial assets

	As at 31 March 2023
Unsecured, considered good	
Advance to staff	0.06
Total	<u>0.06</u>

16 Other current assets

	As at 31 March 2023
Unsecured, considered good	
Prepaid expenses	1.87
Advance to suppliers	1.87
Balance with government authorities	11.17
Total	<u>14.91</u>



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**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
 (All amounts are in INR million except per share data or as otherwise stated)

**17 EQUITY SHARE CAPITAL**

	As at 31 March 2024	As at 31 March 2023
<b>Authorized share capital</b>		
2,600,000 Equity Shares of INR 10/- each	26.00	26.00
<b>Total Authorized share capital</b>	<b>26.00</b>	<b>26.00</b>
<b>Issued, subscribed and paid up</b>		
Equity share of Rs 10/- each with voting rights, fully paid up	2.33	2.33
Equity Shares of Rs. 10/- each with voting rights, Rs 2.50 Paid up	5.00	5.00
<b>Total issued, subscribed and fully paid up</b>	<b>7.33</b>	<b>7.33</b>

(A) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2023	
	Number of shares	Amount
Outstanding at the beginning of the year	2,233,334	7.33
Outstanding at the end of the year	2,233,334	7.33

(B) Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the Company

Name of shareholder	As at 31 March 2023	
	Number of shares	% of holding
9,799 Equity shares of INR 10/- each fully paid up		
2,000,000 Equity shares of INR 2.50/- each partly paid up		
M/s Laxmi Dental Export Pvt. Ltd	2,009,799	89.99%
<b>Total</b>	<b>2,009,799</b>	<b>89.99%</b>

Note:

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.

(C) The Company has not issued any bonus shares or shares for consideration other than cash during the period of two years immediately preceding the reporting date since the company has incorporated in March 2021.

(D) The Company has not bought back any shares during the period of two years immediately preceding the current year end.

(E) Details of Shares held by Promoters at the end of the year

	As at 31 March 2023		
	Number of shares	% of holding	% Change during the year
M/s Laxmi Dental Export Pvt. Ltd	2,009,799	89.99%	0.00%
	2,009,799	89.99%	0.00%

(F) Other Equity

	As at 31 March 2023
Securities premium	12.77
Retained earnings	(2.52)
<b>Total Other Equity</b>	<b>10.24</b>

(G) Securities premium

Particulars	As at 31 March 2023
Balance at the beginning of the year	12.77
Add : Shares issued during the year	-
<b>Balance at the end of the year</b>	<b>12.77</b>

(H) Retained Earnings

	As at 31 March 2023
Balance at the beginning of the year	(5.18)
Add/(Less): Impact on account of different transition date of April 1, 2022	0.06
Add : Profit for the year	2.49
Add : Other comprehensive income/(loss) recognised directly in retained earnings	0.10
<b>Balance at the end of the year</b>	<b>(2.52)</b>

(I) Nature and purpose of other Reserves

Securities Premium

Securities premium has been created consequent to issue of shares at premium. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

Retained Earnings

Retained earnings represent the cumulative profits/(losses) of the company and effects of remeasurement of defined benefit obligations.



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Bizdent Devices Private Limited  
Notes to Special Purpose Financial Statements for the year ended 31 March 2023  
(All amounts are in INR million except per share data or as otherwise stated)

18 Provisions

	As at 31 March 2023
<b>Non-Current</b>	
Provision for employee benefits (Refer note 32)	
Gratuity	0.72
<b>Total (A)</b>	<b>0.72</b>
<b>Current</b>	
Provision for employee benefits (Refer note 32)	
Gratuity	0.05
Compensated absences	0.33
<b>Total (B)</b>	<b>0.38</b>
<b>Total (A+B)</b>	<b>1.10</b>

19 A. Trade Payables

	As at 31 March 2023
Total outstanding dues of micro and small enterprises (refer note 20B for details of dues to micro and small enterprises)	2.32
Total outstanding dues of creditors other than micro and small enterprises	31.30
<b>Total</b>	<b>33.62</b>

As at 31 March 2023	Outstanding for following period from the date of payment					Total
	Not due	Less than a year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro and small enterprises	1.52	0.80	-	-	-	2.32
Total outstanding dues of creditors other than micro and small enterprises	14.96	16.34	-	-	-	31.30
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	<b>16.48</b>	<b>17.14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.62</b>

19 B. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	As at 31 March 2023
<b>The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year</b>	
Principal amount due to micro and small enterprises	2.32
Interest due on above	-
	<b>2.32</b>
<b>The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year</b>	
	-
<b>The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.</b>	
	-
<b>The amount of interest accrued and remaining unpaid at the end of each accounting year</b>	
	-
<b>The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006</b>	
	-

20 Other financial liabilities

	As at 31 March 2023
Employee benefit payable	4.55
Reimbursement payable to employee	0.21
<b>Total</b>	<b>4.76</b>

21 Other current liabilities

	As at 31 March 2023
Contract liabilities (Excess of Billing over revenue)	13.63
Advance from Customer	1.07
Statutory dues payable	0.69
Other Payables	0.19
<b>Total</b>	<b>15.58</b>



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Bizdent Devices Private Limited  
Notes to Special Purpose Financial Statements for the year ended 31 March 2023  
(All amounts are in INR million except per share data or as otherwise stated)

22 Revenue from operations

	For the year ended 31 March 2023
Revenue from contract with customers:	186.99
Sale of goods	184.15
Sale of services	2.84
<b>Total</b>	<b>186.99</b>

A i) Information of disaggregated revenue as per Ind AS 115

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

	For the year ended 31 March 2023
<b>Based on Geographical markets</b>	
India	186.99
Outside India	-
<b>Total</b>	<b>186.99</b>

ii) Information about major customers

No single customer has accounted for more than 10% of the company's total revenue for the year ended 31 March 2023

B Disaggregation of revenue

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

Segments	For the year ended 31 March 2023
Aligners	168.29
Course Fees	2.84
Laboratory offerings	15.86
<b>Total</b>	<b>186.99</b>
<b>Timing of Revenue Recognition</b>	
Goods transferred at a point in time	184.15
Services transferred over time	2.84
<b>Total revenue from contracts with customers</b>	<b>186.99</b>

C Contract Balances

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

	As at 31 March 2023
Trade Receivables	16.96
Contract liability	13.63

#Refer note 13.1 for movement in allowance of expected credit loss.

D Reconciliation of revenue recognised in statement of profit and loss with the contracted price

	For the year ended 31 March 2023
Revenue as per contracted price	186.99
Adjustments	-
<b>Revenue from contract with customers</b>	<b>186.99</b>

23 Other Income

	For the year ended 31 March 2023
Finance Income	0.11
Others	3.82
<b>Total</b>	<b>3.93</b>

24 Cost of material consumed

	For the year ended 31 March 2023
Raw materials at the beginning of the year	7.41
Add: Purchases (net)	42.85
Less: Raw materials at the end of the year	(13.62)
<b>Total</b>	<b>36.64</b>

# Purchase include custom duty of INR 1.77 millions

25 Employee Benefit Expense

	For the year ended 31 March 2023
Salaries, Wages & Bonus	30.69
Staff welfare expense	1.42
Gratuity expense	0.31
Leave encashment expense	0.17
Contribution to provident and other funds	1.21
<b>Total</b>	<b>33.80</b>



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Bizdent Devices Private Limited  
Notes to Special Purpose Financial Statements for the year ended 31 March 2023  
(All amounts are in INR million except per share data or as otherwise stated)

26	Finance Cost		
			For the year ended
			31 March 2023
	Interest on Lease Liabilities		1.26
	Total		1.26
27	Depreciation and Amortisation Expenses		
			For the year ended
			31 March 2023
	Depreciation on Property, Plant and Equipment (Refer note 5)		4.07
	Amortization on Right of Use Assets (Refer note 7)		4.69
	Amortisation on Intangible Assets (Refer note 6)		0.30
	Total		9.06
28	Other Expenses		
			For the year ended
			31 March 2023
	Clearing and Forwarding charges		0.95
	Bank charges		0.12
	Office expenses		1.22
	Admin charges		38.88
	Loading & unloading charges		1.24
	Audit Fees		0.15
	Business promotion & Advertisement		32.28
	Power and fuel		2.46
	Telephone expenses		0.43
	Legal and professional charges		16.09
	Travel and conveyance		1.89
	Repair & maintenance		1.78
	Printing & stationary		2.49
	Courier charges		2.55
	Housekeeping Expense		0.62
	Rates and taxes		0.13
	Impairment allowance of expected credit loss		0.11
	Recruitment charges		0.75
	Security Charges		0.64
	Inventory Written off		0.12
	Miscellaneous expense		0.96
	Total		105.83
28.1	Payment to Auditors		
			For the year ended
			31 March 2023
	As Auditor		
	Statutory Audit		0.10
	Tax Audit		0.05
	Total		0.15



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**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
(All amounts are in INR million except per share data or as otherwise stated)

**29 Tax Expense**

**(A) Income tax expense:**

	For the year ended 31 March 2023
Current tax	1.96
Adjustment of tax relating to earlier periods	-
Deferred tax	(0.12)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1.84</b>

**(B) Income tax expense/(gain) charged to Other Comprehensive income (OCI)**

	For the year ended 31 March 2023
Items that will not be reclassified to statement of profit or loss	
Remeasurement of net defined benefit liability	0.02
<b>Income tax charged to OCI</b>	<b>0.02</b>

**(C) Reconciliation of tax charge**

	For the year ended 31 March 2023
Profit before tax	4.33
Enacted income tax rate applicable to the Company	17.16%
<b>Tax amount at the enacted tax rate</b>	<b>0.74</b>
<b>Adjustments:</b>	
Non deductible expenses for tax purpose	0.01
Allowable expenses for tax purpose	(0.58)
Previous year tax adjustment	-
Adjustment to Revenue as per Ind AS 115	1.75
Others	(0.07)
<b>Income tax expense</b>	<b>1.85</b>

**(D) Deferred Tax Assets (net)**

The Company has recognized deferred tax on temporary deductible difference which are probable to be available against future taxable profits.

	As at 31 March 2023
Deferred tax assets	0.20
Deferred tax liability	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>0.20</b>

**(E) Movement in deferred tax assets/ (liabilities)**

	As at 31 March 2022	(Charged) / Credited in Profit & Loss	(Charged) / Credited to OCI	As at 31 March 2023
<b>(i) Deferred tax assets in relation to:</b>				
Lease Liability	0.29	1.79	-	2.07
Security Deposit	0.01	0.04	-	0.05
Impairment allowance (ECL)	-	0.02	-	0.02
Gratuity	0.10	0.05	(0.02)	0.13
Leave encashment	0.03	0.03	-	0.06
	<b>0.42</b>	<b>1.93</b>	<b>(0.02)</b>	<b>2.33</b>
<b>(ii) Deferred tax liabilities in relation to:</b>				
Right-of-use assets	(0.29)	(1.61)	-	(1.90)
Property, plant and equipment	(0.03)	(0.20)	-	(0.23)
	<b>(0.32)</b>	<b>(1.81)</b>	<b>-</b>	<b>(2.13)</b>
<b>Deferred tax Asset (Net)</b>	<b>0.10</b>	<b>0.13</b>	<b>(0.02)</b>	<b>0.20</b>



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**Bizdent Devices Private Limited**

**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**

(All amounts are in INR million except per share data or as otherwise stated)

**30 Earnings per share (EPS)**

Basic/Diluted earnings / (loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

	For the year ended 31 March 2023
Profit after tax attributable to equity shareholders of the Company (in INR)	2.49
Weighted average number of equity shares for basic EPS	733,334
<b>Effect of dilution:</b>	
Add/(less) : Unpaid portion of partly paid shares	1,500,000
<b>Weighted average number of equity shares adjusted for the effect of dilution</b>	<b>2,233,334</b>
Basic earning per share (INR)	3.40
Diluted earning per share (INR)	1.12



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**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
 (All amounts are in INR million except per share data or as otherwise stated)

**31 Employee Benefits Obligations**

**(I) Defined contributions plans**

The Company makes contribution towards employees' Provident Fund. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to defined contribution schemes.

**a) During the year the Company has recognized the following amounts in the Statement of profit and loss:**

Particulars	For the year ended 31 March 2023
Provident Fund	0.97
<b>Total</b>	<b>0.97</b>

**(II) Defined Benefit plans**

**(A) Gratuity**

The Company provides for gratuity benefit under a defined benefit retirement scheme (the "Gratuity Scheme") as laid out by the Payment of Gratuity (Amendment) Act, 2018 of India covering eligible employees i.e. an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age. Liabilities with regard to the Gratuity Scheme are determined by actuarial valuation carried out using the Projected Unit Credit Method by an

The scheme is neither funded with an insurance Company in the form of qualifying insurance policy, nor any assets have been created.

**a) Statement of Assets and Liabilities:**

Particulars	As at 31 March 2023
<b>Changes in the Present Value of Obligation</b>	
Present value of obligation as at the beginning of the year	0.59
Current service cost	0.26
Interest cost	0.05
Re-measurement (or actuarial) (gain) / loss arising from:	
- change in demographic assumptions	-
- change in financial assumptions	0.01
- experience variance (i.e. actual experiences vs assumptions)	(0.13)
<b>Present value of obligation as at the end of the year</b>	<b>0.77</b>

**Bifurcation of present value of obligation at the end of the year**

Particulars	As at 31 March 2023
<b>Classification of provisions</b>	
Current	0.05
Non current	0.72
<b>Amounts recognized in the Statement of Assets and Liabilities</b>	<b>0.77</b>

**b) Statement of Profit and Loss:**

Particulars	For the year ended 31 March 2023
<b>Expenses recognised in the Statement of Profit and Loss</b>	
Current service cost	0.26
Net interest cost	0.05
<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>0.31</b>
<b>(Gain)/Loss recognised in the Other Comprehensive Income</b>	
Re-measurement (or actuarial) (gain) / loss arising from:	
- change in demographic assumptions	-
- change in financial assumptions	0.01
- experience variance (i.e. actual experiences vs assumptions)	(0.13)
<b>Components of defined benefit costs/(income) recognised in Other Comprehensive Income</b>	<b>(0.12)</b>

**c) The principal assumptions used in determining gratuity for the Company's plans are shown below:**

Particulars	For the year ended 31 March 2023
Discount rate	7.35%
Salary growth rate	7.00%
Age of retirement	58 years
Attrition / Withdrawal rates, based on age: (per annum)	10.00%
Mortality (table)	IALM (2012-14) Ultimate

The discount rate assumed for current and previous year, is determined by reference to market yield at the Balance sheet date on government bonds. The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



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**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
 (All amounts are in INR million except per share data or as otherwise stated)

**d) Maturity Profile of Defined Benefit Obligation**

Particulars	For the year ended 31 March 2023
Projected benefits payable in future years from the date of reporting	
1st Following Year	0.05
2nd Following Year	0.05
3rd Following Year	0.06
4th Following Year	0.06
5th Following Year	0.07
Sum of 6 to 10 years	0.38
More than 10 years	-

**e) Sensitivity Analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation (DBO) are discount rate, salary growth rate, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

Particulars	Sensitivity Level	For the year ended 31 March 2023	
		Decrease	Increase
Discount rate	1% Increase/ Decrease	0.08	(0.07)
Salary growth rate	1% Increase/ Decrease	(0.07)	0.08
Attrition rate *	1% Increase/ Decrease		

\* The 1% increase/decrease is not a material amount for the year ended 31 March 2023

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**f) The Code on Social Security, 2020**

The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**(B) Compensated absences**

The obligation for compensated absences as at year end amounts to INR 3,31,681.



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**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
 (All amounts are in INR million except per share data or as otherwise stated)

**32 Fair Value Measurement**

**A The Carrying Value of Financial Assets by Categories is as follows:**

	As at 31 March 2023
<b>Financial assets valued at amortized cost</b>	
Loans to others	0.05
Loans to Related parties	-
Other Financial assets	1.34
Trade Receivables	16.96
Cash and cash equivalents	1.32
<b>Total financial assets measured at Cost</b>	<b>19.67</b>
<b>Total financial assets</b>	<b>19.67</b>

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

	As at 31 March 2023
<b>Measured at amortized cost</b>	
Borrowings	-
Lease liabilities	12.09
Trade Payable	33.62
Other Financial liabilities	4.75
<b>Total financial liabilities measured at amortised cost</b>	<b>50.46</b>

**C Fair value**

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-

1. Trade Receivables
2. Cash and Cash Equivalents
3. Loans
4. Other financials Assets
5. Borrowings
6. Lease Liabilities
7. Trade Payables
8. Other Financial Liabilities



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**33 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. Company's principal financial liabilities comprises borrowings, trade payables. The main purpose of these financial liability is to finance Company's operation. Company'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

**(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 2023				Total
	On demand	Upto 1 year	1 to 5 years	More than 5 years	
<b>Non-current</b>					
Lease liabilities	-	-	6.75	-	6.75
<b>Current</b>					
Borrowings	-	-	-	-	-
Lease Liabilities	-	5.34	-	-	5.34
Trade payables	-	33.62	-	-	33.62
Other financial liabilities	-	4.76	-	-	4.76
<b>Total</b>	-	<b>43.72</b>	<b>6.75</b>	-	<b>50.47</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 maximum exposure to credit risk at the reporting date is primarily from trade receivables which amounted to Rs 16.96 as at 31 March 2023 respectively. The Company provides loss allowance using the ECL model on trade receivables by following simplified approach. An impairment analysis is performed at each reporting date on an individual customer basis.

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.

**(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.

Foreign currency risk exposure:

	Exposure in USD	Exposure in Euro	Equivalent amount in INR
	As at 31 March 2023	As at 31 March 2023	As at 31 March 2023
Financial Assets			
Trade Receivable	-	-	-
Financial Liability			
Trade payable	(0.03)	(0.01)	(2.96)
<b>Total</b>	<b>(0.03)</b>	<b>(0.01)</b>	<b>(2.96)</b>



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**34 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 total Equity. Total debt comprises of current borrowing which represents borrowing in the form of overdraft facility from banks and loans from related parties. 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 2023	1 April 2022
Total Equity (i)	17.57	14.99
Total borrowings	-	0.03
Less: Cash and bank balances (including deposits with banks)	(1.33)	(0.98)
Total debt (ii)	(1.32)	(0.94)
Gearing ratio (ii)/(iii)	(7.52%)	(6.28%)

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



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35 Related party disclosures

The list of related parties as identified by the Management is as under:-

Relationship	Name of Related Party
Parent Entity	Laxmi Dental Export Private Limited
Fellow Subsidiaries	Signature Smiles Dental Clinic Pvt. Ltd. Rich Smile Design LLP Laxmi Dental Labs USA Techlab consulting LLP
Key management personnel (KMP)	Mr. Sameer Merchant - CEO and Managing Director Mr. Rajesh Khakhar - Whole time Director & Chairman
Relatives of KMP	Mr. Hasmukh Khakhar Mrs. Bhavi Merchant Mr. Parth Khakhar Mrs. Bhavna Dattani Mrs. Devika khakhar Mrs. Neepa Dattani Mr. Sanjay Khakhar Ms. Siddhi Khakhar Ms. Varsha Khakhar Mr. Manan Khakhar
Related Party (Joint venture of Holding company)	Kids-E-Dental LLP

a) Transactions with related parties

	For the year ended 31 March 2023
<u>Salary Expense</u>	
Relatives of Key Managerial Personnel	
Mrs. Bhavi Merchant	0.43
Mr. Manan Khakhar	0.21
<u>Other Expenses</u>	
Parent Entity	
Laxmi Dental Export Private Limited	39.09
<u>Purchases</u>	
Parent Entity	
Laxmi Dental Export Private Limited	45.99
Fellow Subsidiaries	
Laxmi Dental Labs USA	1.33
<u>Sales</u>	
Parent Entity	
Laxmi Dental Export Private Limited	7.78
Fellow Subsidiaries	
Signature Smiles Dental Clinic Pvt. Ltd.	0.87
Rich Smile Design LLP	0.03
<u>Other Income</u>	
Parent Entity	
Laxmi Dental Export Private Limited	3.23
Fellow Subsidiaries	
Rich Smile Design LLP	0.53
<u>Control Account (Receivable)</u>	
Parent Entity	
Laxmi Dental Export Private Limited	0.67
<u>Control Account (Payable)</u>	
Advance from customer:	
Rich Smile Design LLP	0.19

b) Outstanding balances of related parties

	As at 31 March 2023
<u>Accounts Payables</u>	
Parent Entity	
Laxmi Dental Export Private Limited	24.61
<u>Account Receivables</u>	
Parent Entity	
Laxmi Dental Export Private Limited	0.45



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**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
 (All amounts are in INR million except per share data or as otherwise stated)

**Fellow Subsidiary**

Rich Smile Design LLP	0.36
Signature Smiles Dental Clinic Pvt Ltd	0.03

**Salary Payable**

<b>Relatives of Key Managerial Personnel</b>	
Mrs. Bhavi Merchant	0.08
Mr. Manan Khakhar	

Name of the Selling Shareholders	Name of the lender	Type of facility	Sanctioned Amount (in ₹ million)	Purpose of the Facility
Rajesh Vrajlal Khakhar	Stride One Capital Limited	Purchase invoice discounting, Sales invoice discounting	30.00	Sales invoice discounting and Overdraft Facility
Rajesh Vrajlal Khakhar, Sameer Kamlesh Merchant	ICICI Bank Limited	Working capital loan	49.90	For working capital purposes

**36 Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company operates in the business segment of manufacturing of "Aligners solutions." This segment encompasses the manufacturing of dental aligners and related products and the facilitation of educational workshops.

Operating segment's results are reviewed regularly by the Company's Managing Director and CEO to make decisions about resources to be allocated to the segments and assess their performance.

The Chief Operating Decision Maker ("CODM") which is Board of Directors evaluates the Company's performance and allocates resources based on an analysis of various performance indicators at operational unit level. Since the Company's business is from single business reporting segment, there are no other primary reportable segments. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the Financial Statement.

The Company's customers are domiciled in India and also the non-current assets are situated in India. Thus, the geographical segment disclosures of the Company are not given.

**37 Corporate social responsibility**

The Company does not meet the criteria specified under section 135 for CSR applicability. As a result, the Company is not obligated to establish a CSR committee or engage in CSR activities as defined under the Act.



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Bizdent Devices Private Limited  
Notes to Special Purpose Financial Statements for the year ended 31 March 2023  
(All amounts are in INR million except per share data or as otherwise stated)

38 Ratios

Ratio Variance Analysis for the year ended 31 March, 2023

Ratio	Numerator	Denominator	As at 31 March 2023		Ratio
			Numerator	Denominator	
(a) Current Ratio (times)	Current Assets	Current Liabilities	46.93	59.68	0.79
(b) Debt-Equity Ratio (times)	Total debt	Total equity	-	17.57	0.00
(c) Debt Service Coverage Ratio (times)	Earning for debt service	Debt Service	14.65	4.46	3.29
(d) Return on Equity Ratio (%)	Profit after tax less pref. Dividend	Average total equity	2.49	16.28	0.15
(e) Inventory Turnover Ratio (times)	Cost of Goods Sold	Average Inventory	36.64	10.83	3.38
(f) Trade Receivables Turnover Ratio (times)	Credit Sales	Average Trade Receivables	186.99	15.03	12.44
(g) Trade Payables Turnover Ratio (times)	Credit Purchases	Average Trade Payables	42.85	24.26	1.77
(h) Net Capital Turnover Ratio (times)	Revenue from operations	Average Working Capital	186.99	(1.36)	(137.20)
(i) Net Profit Ratio (%)	Net profit after tax	Revenue from operations	2.49	186.99	0.01
(j) Return on Capital Employed (%)	EBIT	Capital employed	4.33	16.30	0.27

- 1 Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of PPE etc.
- 2 Debt service = Interest and principal repayments including lease payments.
- 3 Average capital employed = Average Equity and average net debt
- 4 Income from investments = Includes profit/loss on sale and fair valuation of current investments, dividend on current investment and interest income
- 5 Average current investments = Includes current investment, inter corporate deposits and fixed deposits



*Signature*



**Bizdent Devices Private Limited**  
**Notes to Special Purpose Financial Statements for the year ended 31 March 2023**  
(All amounts are in INR million except per share data or as otherwise stated)

**39 Additional regulatory 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) and Intangible assets, thus valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 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. Registration of charges or satisfaction with Registrar of Companies (ROC)**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**viii. 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.

**ix. 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.

**x. 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.

**xi. 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.

**40 Susequent Event**

No Significant Subsequent events have been observed which may require an adjustments to the financial statements.

41 The Company used Labguru Software for the purpose of manitaning books of accounts for the financial year March 31, 2024, the software did not have a feature of recording audit trail (edit log) Facility

42 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

43 These financial statements have been approved for issue by the board of directors at its meeting held on September 03, 2024

As per our report of even date attached

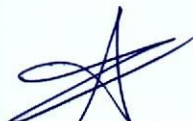
For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No: 105047W



Nitin Tiwari  
Partner  
Membership No: 118894

Place: Mumbai  
Date: September 03, 2024





Sameer K Merchant  
Director  
DIN No.: - 00679893

Place :Mumbai  
Date: September 03, 2024

For and on behalf of the Board of Directors  
Bizdent Devices Private Limited  
CIN:U33203MH2021PTC357799



Rajesh V Khakkar  
Director  
DIN No.: - 00679903

Place :Mumbai  
Date: September 03, 2024

