

**Special Purpose Financial Statements and Independent Auditor's
Report**

ILSL Holdings, Inc.

For the year ended 31 March 2024



INDEPENDENT AUDITOR'S REPORT

To the Members of ILSL Holdings, Inc.

Report on the Special purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of **ILSL Holdings, Inc.** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, the Statement of Cash Flow, the Statement of Changes in Equity for the year then ended and notes to the special purpose financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements gives a true and fair view in conformity with the basis of preparation referred to in Note 2 of the special purpose financial statements, of the state of affairs of the Company as at March 31, 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Special purpose Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance including changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance



of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Special Purpose 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.

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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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.



Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We could quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.

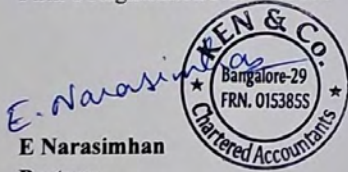
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Ken & Co.

Chartered Accountants

Firm's Registration No. 015385S



E Narasimhan

Partner

Membership number: 228470

UDIN: 24228470BKCIFX2115

Place: Bengaluru

Date: August 09th, 2024

ILSL Holdings, Inc.
Special Purpose Standalone Balance Sheet
(All amounts in USD, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Right-of-use assets	4	686,732	874,020
Financial assets			
(i) Investments	5	92,550,384	103,339,831
(ii) Other financial assets	6	30,000	30,000
Other non-current assets	7	323,687	414,016
Total non-current assets		93,590,803	104,657,867
Current assets			
Financial assets			
(i) Investment	8	35,107,687	54,199,103
(ii) Cash and cash equivalents	9	169,483	27,020
(iii) Other financial assets	10	1,247,812	1,708,782
Other current assets	11	279,966	263,661
Current tax assets (net)		6,553,125	-
Total current assets		43,358,073	56,198,566
Total assets		136,948,876	160,856,433
Equity and liabilities			
Equity			
Share capital	12	243	243
Other equity	13	10,813,795	13,122,087
Total equity		10,814,038	13,122,330
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	40,000,000	48,000,000
(ii) Lease liabilities	15	565,236	741,013
(iii) Other financial liabilities	16	6,014,287	16,609,725
Total non-current liabilities		46,579,523	65,350,738
Current liabilities			
Financial liabilities			
(i) Borrowings	14	7,200,000	-
(ii) Lease liabilities	17	175,775	158,120
(iii) Trade payables	18		
a) total outstanding dues of micro enterprises and small enterprises		-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		42,958	20,000
(iv) Other financial liabilities	19	72,136,582	82,205,245
Total current liabilities		79,555,315	82,383,365
Total liabilities		126,134,838	147,734,103
Total equity and liabilities		136,948,876	160,856,433

The above statement should be read with the basis of preparation and material accounting policies appearing in note 2 and note 3 respectively to the Special Purpose Financial Statements appearing subsequently.

As per our report of even date attached

for **Ken & Co.**
Chartered Accountants
Firm Registration Number: 015385S

for and on behalf of the Board of Directors of
ILSL Holdings, Inc.

Sd/-
E Narasimhan
Partner
Membership Number: 228470
Place: Bengaluru
Date: 09 August 2024

Sd/-
Manish Gupta
Director
Place: Bengaluru
Date: 09 August 2024

ILSL Holdings, Inc.
Special Purpose Standalone Statement of Profit and Loss
(All amounts in USD, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations		-	-
Other income	20	3,879,448	2,040,913
Total income		3,879,448	2,040,913
Expenses			
Finance costs	21	4,776,948	4,025,662
Depreciation and amortisation expense	22	187,288	204,207
Other expenses	23	210,962	1,176,252
Total expenses		5,175,198	5,406,121
Loss before exceptional items and tax		(1,295,750)	(3,365,208)
Exceptional items	33	293,617	-
Loss before tax		(1,002,133)	(3,365,208)
Tax expense:	24		
Current tax		1,306,159	-
Total tax expenses		1,306,159	-
Loss for the year		(2,308,292)	(3,365,208)
Other comprehensive income for year		-	-
Total Comprehensive Loss for the year		(2,308,292)	(3,365,208)
Earnings per equity share			
[Face value of \$ 0.0001]	25		
Basic		(2.16)	(3.32)
Diluted		(2.16)	(3.32)

The above statement should be read with the basis of preparation and material accounting policies appearing in note 2 and note 3 respectively to the Special Purpose Financial Statements appearing subsequently.

As per our report of even date attached
for **Ken & Co.**
Chartered Accountants
Firm Registration Number: 015385S

for and on behalf of the Board of Directors of
ILSL Holdings, Inc.

Sd/-
E Narasimhan
Partner
Membership Number: 228470
Place: Bengaluru
Date: 09 August 2024

Sd/-
Manish Gupta
Director
Place: Bengaluru
Date: 09 August 2024

ILSL Holdings, Inc.
Special Purpose Standalone Statement of Changes in Equity
(All amounts in USD, unless otherwise stated)

(a) Equity share capital

Particulars	No. of shares	Amount
Balance as at 01 April 2022	1,000,000	100
Issued during the year	66,250	7
Balance as at 31 March 2023	1,066,250	107
Issued during the year	-	-
Balance as at 31 March 2024	1,066,250	107

(b) Preferred Stock

Particulars	Series A		Series B	
	No. of shares	Amount	No. of shares	Amount
Balance as at 01 April 2022	574,851	57	782,000	79
Issued during the year	-	-	-	-
Balance as at 31 March 2023	574,851	57	782,000	79
Issued during the year	-	-	-	-
Balance as at 31 March 2024	574,851	57	782,000	79

(c) Other equity

Particulars	Reserves and surplus		Total equity
	Securities premium	Retained earnings	
Balance as at 01 April 2022	13,568,373	(15,081,071)	(1,512,698)
Total comprehensive income/ (loss) for the year ended 31 March 2023			
Loss for the year	-	(3,365,208)	(3,365,208)
Total comprehensive loss		(3,365,208)	(3,365,208)
Loan from Parent Company transferred by issuing equity	17,999,993	-	17,999,993
Balance as at 31 March 2023	31,568,366	(18,446,279)	13,122,087
Total comprehensive income/ (loss) for the year ended 31 March 2024			
Loss for the year	-	(2,308,292)	(2,308,292)
Total comprehensive loss		(2,308,292)	(2,308,292)
Balance as at 31 March 2024	31,568,366	(20,754,571)	10,813,795

Nature and purpose of reserves

i) Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

ii) Securities premium

Securities premium is used to record the premium on issue of shares.

The above statement should be read with the basis of preparation and material accounting policies appearing in note 2 and note 3 respectively to the Special Purpose Financial Statements appearing subsequently.

As per our report of even date attached
for **Ken & Co.**
Chartered Accountants
Firm Registration Number: 015385S

for and on behalf of the Board of Directors of
ILSL Holdings, Inc.

Sd/-
E Narasimhan
Partner
Membership Number: 228470
Place: Bengaluru
Date: 09 August 2024

Sd/-
Manish Gupta
Director
Place: Bengaluru
Date: 09 August 2024

ILSL Holdings, Inc.
Special Purpose Standalone Statement of Cash Flows
(All amounts in USD, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from operating activities		
Loss before tax	(1,002,133)	(3,365,208)
Adjustments to reconcile profit before tax to net cash flows:		
Finance costs	4,610,975	4,025,662
Interest income	(2,671,038)	(1,111,829)
Liability no longer required reversed	(725,000)	-
Depreciation and amortisation expenses	187,288	204,207
Gain on sale of investment	(209,759)	-
Fair value movement of contingent consideration	(11,293,953)	-
Diminution in value of investment	11,000,336	-
Operating profit before working capital changes	(103,284)	(247,168)
Changes in Working Capital		
Decrease/(Increase) in other current assets	74,024	(568,087)
Decrease/(Increase) in other financial assets	460,971	(871,988)
Increase/(Decrease) in trade payables	22,958	(29,324)
(Decrease)/Increase in other financial liabilities	(462,893)	3,717,166
Cash generated from operations	(8,224)	2,000,599
Income tax paid (net)	(7,859,285)	-
Net cash (used in)/ generated from from operating activities (A)	(7,867,509)	2,000,599
B. Cash flows from investing activities		
Purchase of investments	(53,440,584)	(54,199,103)
Redemption of investments	72,532,000	-
Payment for acquisition of business	(9,197,919)	(49,337,143)
Sale of investment in subsidiary	209,871	-
Interest income	2,671,038	1,111,829
Net cash generated from/ (used in) investing activities (B)	12,774,406	(102,424,417)
C. Cash flows from financing activities		
Repayment of borrowings	(800,000)	(2,415,250)
Proceeds from borrowings	-	48,000,000
Payment of lease liability	(216,257)	(289,072)
Interest and financial charges paid	(3,748,177)	(3,993,417)
Net cash (used in)/ generated from financing activities (C)	(4,764,434)	41,302,261
Net increase / (decrease) in cash and cash equivalents (A+B+C)	142,463	(59,121,557)
Cash and cash equivalents at the beginning of the year	27,020	59,148,577
Cash and cash equivalents at the end of the year	169,483	27,020
Notes:-		
1. Cash and cash equivalents include		
Balances with bank		
- Current accounts	169,483	27,020
	169,483	27,020

ILSL Holdings, Inc.
Special Purpose Standalone Statement of Cash Flows
(All amounts in USD, unless otherwise stated)

Reconciliation of movements of current and non-current borrowings to cash flows arising from financing activities
For the year ended 31 March 2024

Particulars	Short-term borrowings	Long-term borrowings (incl current maturities)	Total
Opening Balance as on 01 April 2023	-	48,000,000	48,000,000
Less: Repayment during year	-	(800,000)	-
Closing Balance as on 31 March 2024	-	47,200,000	48,000,000

For the year ended 31 March 2023

Particulars	Short-term borrowings	Long-term borrowings (incl current maturities)	Total
Opening Balance as on 01 April 2022	-	20,415,250	20,415,250
Add: Addition during the year (refer note 14)	48,000,000	-	48,000,000
(Less)/Add: Refinanced to term loan (refer note 14)	(48,000,000)	48,000,000	-
Less: Conversion of loan into equity	-	(18,000,000)	(18,000,000)
Less: Repayment during year	-	(2,415,250)	(2,415,250)
Closing Balance as on 31 March 2023	-	48,000,000	48,000,000

The above Special Purpose Standalone Statement of Cash Flows has been prepared under the indirect method set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

As per our report attached of even date
for **Ken & Co.**
Chartered Accountants
Firm Registration Number: 015385S

for and on behalf of the Board of Directors of
ILSL Holdings, Inc.

Sd/-
E Narasimhan
Partner
Membership Number: 228470
Place: Bengaluru
Date: 09 August 2024

Sd/-
Manish Gupta
Director
Place: Bengaluru
Date: 09 August 2024

ILSL Holdings, Inc.

Material Accounting Policies to Special Purpose Standalone Financial Statements

(All amounts in USD, except share data and where otherwise stated)

1. Corporate Information

ILSL Holdings, Inc. ("the Company") is a limited liability company incorporated and domiciled in New Jersey, USA. The address of its registered office is 150 College Rd W Suite 104 Princeton New Jersey 08540. The Company is a global provider of solutions consisting of analytics, technology and commercial, medical, regulatory and safety services to life science and healthcare organizations. The Company provides solutions that enable global life-science and healthcare organizations address complex challenges, to improve health and business outcomes.

ILSL Holdings, Inc. is a subsidiary of Indegene Limited, the Parent Company which is a Company incorporated and domiciled in India.

These Special Purpose Standalone Financial Statements were authorized for issue by the Board of Directors of the Company on 09 August 2024.

2. Basis of preparation of Special Purpose Standalone Financial Statements

(i). Statement of compliance and basis of preparation

The Special Purpose Standalone financial information of the Company comprise the Special Purpose Standalone Balance Sheet as at 31 March 2024 and 31 March 2023, the Special Purpose Standalone Statement of Profit and Loss (including Other Comprehensive Income), Special Purpose Standalone Statement of Changes in Equity and the Special Purpose Standalone Statement of Cash flows for the year ended 31 March 2024 and 31 March 2023, the summary of material accounting policies and explanatory notes (collectively, the 'Special Purpose Standalone Financial Statement').

The Special Purpose Standalone financial information of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the Special Purpose Standalone Financial Statements and other relevant provisions of the Act. Further, these are not the statutory financial statements of the Company.

These financial statements are prepared for inclusion in the annual report of the Ultimate Holding Company (Indegene Limited) under the requirements of section 129(3) of the Companies Act, 2013 and for the purpose of inclusion in the Annual Performance Report to be submitted with authorised dealer.

The accounting policies have been consistently applied by the Company in preparation of the Special Purpose Standalone Financial Statements. These Special Purpose Standalone Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of auditor's reports on the audited Special Purpose Standalone Financial Statements mentioned above.

The preparation of these Special Purpose Standalone Financial Statements requires the use of certain critical accounting judgements and estimates. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the Special Purpose Standalone Financial Statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note (iv).

(ii). Functional and presentation currency

These Special Purpose Financial Statements are presented in US Dollars ("USD"), which is also the functional currency of the Company, except share and per share data and unless otherwise stated.

(iii). Basis of measurement

The Special Purpose Standalone Financial Statements have been prepared on a going concern basis, the historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS:-

- a) Derivative financial instruments;
- b) Financial instruments classified as fair value through Other Comprehensive Income or fair value through profit or loss;
- c) Assets acquired and liabilities and contingent consideration assumed under business combinations
- d) Defined benefits assets/ (liability)

(iv). Use of estimates or judgement

The preparation of Special Purpose Standalone Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Special Purpose Standalone Financial Statements is included in the following notes:

i. Income taxes: The major tax jurisdiction for the Company is the United States of America. Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. The tax assessments can be lengthy and complex issues and could take inordinate amount of time before they are resolved. The Company considers all these complexities while estimating income taxes, however, there could be an unfavourable resolution of such issues.

ii. Deferred taxes: Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax assets and projected future taxable income in making this assessment. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

iii. Leases: Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

ILSL Holdings, Inc.

Material Accounting Policies to Special Purpose Standalone Financial Statements

(All amounts in USD, except share data and where otherwise stated)

2. Basis of preparation of Special Purpose Standalone Financial Statements (Continued)

iv. Defined benefit plans and compensated absences: The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligations 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.

v. Expected credit losses on financial assets: The impairment provisions of financial assets are 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 expected credit loss calculation based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates at the end of each reporting periods.

vi. Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using appropriate valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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

viii. Useful lives of intangible assets: The intangible assets are amortised by the Company on a straight-line basis over estimated useful lives of the assets. The useful life is estimated based on a number of factors including the effects of obsolescence, demand and other economic factors such as the stability of the industry and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. The estimated useful life is reviewed at least annually.

ix. Other estimates: The share-based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest. Information about other estimation and assumptions related uncertainties that could have a significant risk of material adjustment is recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources.

3. Material accounting policies

3.1. Foreign currency transactions

Foreign operations

All transactions in foreign currencies are translated to the functional currency using the prevailing exchange rates on the date of such transactions. All monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. All non-monetary assets and liabilities that are measured at fair value in foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. All foreign currency differences are generally recognized in the statement of profit and loss, except for non-monetary items denominated in foreign currency and measured based on historical cost, as they are not translated.

3.2. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in the Special Purpose Standalone Statement of Profit and Loss and Other Comprehensive Income.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not available for use before such date are disclosed under capital advance.

Subsequent costs

The Company recognises the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the Special Purpose Standalone Statement of Profit and Loss and Other Comprehensive Income as an expense as incurred. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is charged on a straight-line basis over the estimated useful lives of items of property, plant and equipment. The estimated useful lives are as follows:

Asset classification	Useful life as per Companies Act, 2013	Estimated useful life
Computers and accessories	3 years	3 years
Furniture and fittings	10 years	3-5 years
Office equipment	5 years	3-5 years
Vehicles	8 years	5 years

Leasehold improvements are depreciated over the lease period or over the useful lives of assets, whichever is lower. The depreciation method, useful life and residual values are reviewed at each reporting date and adjusted if appropriate. Assets acquired through business combination are depreciated on straight line basis over the remaining useful life of asset estimated by the management on the date of acquisition. The asset category and the useful lives estimated by management are as per schedule II to Companies Act, 2013, except furniture and fittings and vehicles.

ILSL Holdings, Inc.**Material Accounting Policies to Special Purpose Standalone Financial Statements**

(All amounts in USD, except share data and where otherwise stated)

3. Material accounting policies (Continued)**3.3. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments in the form of financial assets and financial liabilities are generally presented separately. Financial instruments are recognized on the Special Purpose Standalone Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Upon initial recognition, financial instruments are measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which these are classified.

Financial assets

Financial assets are classified into following categories:

- Financial assets carried at amortised cost
- Financial assets fair valued through Other Comprehensive Income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL),

Financial assets primarily comprise of trade receivables, loan and receivables, cash and bank balances, marketable securities and investments.

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it meets both the following criteria:

- (i) the asset is held within a business model whose objective is to hold the asset to collect contractual cash flows, and
- (ii) the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at fair value through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at fair value through Other Comprehensive Income if it meets both the following criteria:

- (i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- (ii) 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.

Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in Other Comprehensive Income. For equity investments elected to be measured at FVTOCI, all fair value changes in the instruments excluding dividends, are recognised in OCI and is never recycled to Special Purpose Standalone Statement of Profit and Loss, even on sale of the instrument. Interest income earned on FVTOCI instruments are recognised in the Special Purpose Standalone Statement of Profit and Loss.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which does not meet the amortised cost or FVTOCI criteria is measured as FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses on re-measurement recognised in Special Purpose Standalone Statement of Profit and Loss. The gain or loss on disposal is recognised in the Special Purpose Standalone statement of profit and loss. Interest income earned on FVTPL instruments are recognised in the Special Purpose Standalone statement of profit and loss.

Financial liabilities

Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities. Financial liabilities primarily include trade payables, liabilities to banks, derivative financial liabilities and other liabilities.

Financial liabilities measured at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method, except for contingent considerations recognized in a business combination which is subsequently measured at FVTPL. For trade and other payables, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

Compound financial instruments

Compound financial instruments have both a financial liability and an equity component from the issuer's perspective. The components are defined based on the terms of the financial instrument and presented and measured separately according to their substance. At initial recognition of a compound financial instrument, the financial liability component is recognised at fair value and the residual amount is allocated to equity.

Derivative financial instruments

All derivatives are recognized initially at fair value on the date a derivative contract is entered into and subsequently re-measured at fair value. Embedded derivatives are separated from the host contract and accounted for separately if they are not closely related to the host contract. The Company measures all derivative financial instruments based on fair values derived from market prices of the instruments or from option pricing models, as appropriate. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the Special Purpose Standalone statement of profit and loss, except for derivatives that are highly effective and qualify for cash flow or net investment hedge accounting.

Non-financial underlying variable

The definition of a derivative excludes instruments with a non-financial underlying variable that is specific to a party to the contract. The Company has considered the accounting policy choice of considering Earnings before Interest, tax, depreciation and amortisation (EBITDA), profit, sales volume, revenue or the cash flows of one counterparty to be a non-financial underlying variable that are specific to a party to the contract.

ILSL Holdings, Inc.**Material Accounting Policies to Special Purpose Standalone Financial Statements**

(All amounts in USD, except share data and where otherwise stated)

3. Material accounting policies (Continued)***De-recognition of financial assets and liabilities***

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a borrowing for the proceeds received.

A financial liability (or a part of financial liability) is derecognised from the Company's Special Purpose Standalone Balance Sheet when obligation specified in the contract is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the Special Purpose Standalone Balance Sheet only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment***(a) Financial assets***

Ind AS 109 requires the Company to record expected credit losses on all of its financial assets which are debt securities, loans and receivables, either on a 12-month or life time expected credit losses. The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, ECL are measured at an amount equal to 12-month ECL, unless there is a significant increase in the credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Special Purpose Standalone statement of profit and loss.

(b) Non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date.

Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

(c) Investments in equity instruments

The Company accounts for investments in subsidiaries, joint ventures and associates either:

- i. at cost, or
- ii. in accordance with Ind AS 109, i.e., Fair valued through other comprehensive income (FVTOCI) or Fair valued through profit or loss (FVTPL).

3.4. Equity

The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Qualifying transaction costs incurred in anticipation of an issuance of equity instruments is deferred on the Special Purpose Standalone statement of assets and liabilities until the equity instrument is recognized. Deferred costs are subsequently reclassified as a deduction from equity when the equity instruments are recognized.

3.5. Provisions

A provision is recognised in the Special Purpose Standalone Balance Sheet when the Company has a present legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

3.6. Leases

The Company's lease asset classes primarily consist of leases for office premises. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Company determines the lease term as the noncancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option. The Company makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken during the lease term, cost relating to the termination of the lease and location of the underlying assets and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

ILSL Holdings, Inc.**Material Accounting Policies to Special Purpose Standalone Financial Statements**

(All amounts in USD, except share data and where otherwise stated)

3. Material accounting policies (Continued)

The ROU assets are initially recognized 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 less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for the identified impairment loss, if any.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Special Purpose Standalone Balance Sheet and lease payments have been classified as financing cash flows.

3.7. Finance cost

Finance costs comprises of interest expenses including interest on tax, bank charges.

3.8. Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax expense is recognised in the Special Purpose Standalone Statement of Profit and Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Special Purpose Standalone Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.9. Determination of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 inputs for the asset or liability that are not based on unobservable data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

ILSL Holdings, Inc.

Material Accounting Policies to Special Purpose Standalone Financial Statements

(All amounts in USD, except share data and where otherwise stated)

3. Material accounting policies (Continued)

3.10. Contingent liability and asset

A disclosure for contingent liabilities is made where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.11. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

3.12. Non current assets or disposal Companies held for distribution

Non-Current assets, or disposal groups comprising assets and liabilities are classified as held for distribution if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups are generally measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held for distribution, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

3.13. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash from operating, investing and financing activities of the Company are segregated.

3.14. Exceptional items

The Company considers exceptional items to be those which derive from events or transactions which are significant for separate disclosure by virtue of their size or incidence in order for the user to obtain a proper understanding of the Company's financial performance. These items include, but are not limited to, acquisition costs, restructuring costs and profits and losses on disposal of subsidiaries, contingent consideration and other one off items which meet this definition. To provide a better understanding of the underlying results of the period, exceptional items are reported separately in the Special Purpose Standalone Statement of Profit and Loss.

3.15. 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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be settled within twelve months after the reporting period or
- Cash or cash equivalents 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 or due to be settled within twelve months after the reporting period
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

3.16. Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As of 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company that has not been applied.

ILSL Holdings, Inc.
Notes to Special Purpose Standalone Financial Statements
(All amounts in USD, unless otherwise stated)

4 Right-of-use assets

Particulars	Building	Total
a Gross carrying amount		
Balance as at 01 April 2022	809,398	809,398
Additions	952,050	952,050
Balance as at 31 March 2023	1,761,448	1,761,448
Additions	-	-
Balance as at 31 March 2024	1,761,448	1,761,448
b Accumulated depreciation		
Balance as at 01 April 2022	683,221	683,221
For the period	204,207	204,207
Balance as at 31 March 2023	887,428	887,428
For the period	187,288	187,288
Balance as at 31 March 2024	1,074,716	1,074,716
c Net carrying amount		
Balance as at 01 April 2022	126,177	126,177
Balance as at 31 March 2023	874,020	874,020
Balance as at 31 March 2024	686,732	686,732

For movement of lease liabilities, refer note 31.

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ILSL Holdings, Inc.**Notes to Special Purpose Standalone Financial Statements***(All amounts in USD, unless otherwise stated)*

5 Investments - Non Current	As at 31 March 2024	As at 31 March 2023
Investments in subsidiaries at cost		
Indegene Inc [1,000 (31 March 2023: 1,000) fully paid shares of the common stock of USD 0.01 each]	26,250,920	26,250,920
Indegene Ireland Limited* [NIL (31 March 2023: 100) fully paid shares of the common stock of € 1.00 each]	-	111
Medcases LLC [100 (31 March 2023: 100) fully paid units of membership interest] Less: Provision for diminution in value of investment in Medcases LLC	112,937 (112,937)	112,937 (112,937)
DT Associates Research and Consulting Services Ltd [270 (31 March 2023: 270) fully paid shares of the common stock of £ 0.01 each]	12,005,540	12,005,540
Cult Health LLC (refer note 33 & 34) [1000 (31 March 2023: 1000) fully paid units of membership interest] Less: Provision for diminution in value of investment in Cult Health LLC	65,083,260 (11,000,336)	65,083,260 -
Investment in DT Associates US [10,000 (31 March 2023: NIL) fully paid shares of the common stock of \$ 0.01 each]	211,000	-
	92,550,384	103,339,831
(a) Aggregate amount of quoted investments	-	-
(b) Aggregate market value of quoted investments	-	-
(c) Aggregate value of unquoted investments	103,663,657	103,452,768
(d) Aggregate amount of impairment in value of investments	11,113,273	112,937
* Refer note 27 on related party disclosure		
6 Others non-current financial assets	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good)		
Security deposits	30,000	30,000
	30,000	30,000
7 Other non-current assets	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	323,687	414,016
	323,687	414,016
8 Investments - Current	As at 31 March 2024	As at 31 March 2023
Investment carried at amortised cost		
US Treasury bills (quoted)	34,794,294	54,130,529
US Money Market Fund (unquoted)	313,393	68,574
	35,107,687	54,199,103
a) Aggregate market value of quoted investments	34,794,294	54,130,529
b) Aggregate book value of quoted investments	34,794,294	54,130,529
c) Aggregate book value of unquoted	313,393	68,574
d) Aggregate value of impairment	-	-
9 Cash and cash equivalents	As at 31 March 2024	As at 31 March 2023
Balances with banks		
- Current accounts	169,483	27,020
	169,483	27,020
10 Other current financial assets	As at 31 March 2024	As at 31 March 2023
Mark-to-market forwards contract assets	-	198,761
Receivable from related parties*	282,349	2,500
Other receivable	266,658	1,142,581
Interest earned but not due	698,805	364,940
	1,247,812	1,708,782
* Refer note 27 for related party disclosures.		
11 Other current assets	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	261,780	236,107
Advance to vendors	18,186	27,554
	279,966	263,661

12 Share capital

Particulars	As at	
	31 March 2024	31 March 2023
Authorised		
2,000,000 (31 March 2023: 2,000,000) Equity Shares of \$ 0.0001 each	200	200
650,000 (31 March 2023: 650,000) Preferred Stock of \$ 0.0001 each - Series A	65	65
800,000 (31 March 2023: 800,000) Preferred Stock of \$ 0.0001 each - Series B	80	80
	345	345
Issued and subscribed and paid up:		
1,066,250 (31 March 2023: 1,066,250) Equity Shares of \$ 0.0001 each	107	107
574,851 (31 March 2023: 574,851) Preferred Stock of \$ 0.0001 each - Series A	57	57
782,000 (31 March 2023: 782,000) Preferred Stock of \$ 0.0001 each - Series B	79	79
	243	243

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

Common Stock	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount (in USD)	No. of shares	Amount (in USD)
Outstanding at the beginning of the year	1,066,250	107	1,000,000	100
Equity Shares issued during the year in consideration other than cash*	-	-	66,250	7
Outstanding at the end of the year	1,066,250	107	1,066,250	107

*Loan from Parent Company of USD 18,000,000 has been converted to 66,250 common stock (USD 0.0001 per share) on 10 January 2023

B) Reconciliation of the number of preferred stock (Series A) outstanding at the beginning and end of the year

Preferred stock (Series A)	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount (in USD)	No. of shares	Amount (in USD)
Outstanding at the beginning of the year	574,851	57	574,851	57
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	574,851	57	574,851	57

C) Reconciliation of the number of preferred stock (Series B) outstanding at the beginning and end of the year

Preferred stock (Series B)	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount (in USD)	No. of shares	Amount (in USD)
Outstanding at the beginning of the year	782,000	78	782,000	78
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	782,000	78	782,000	78

Terms / Rights attached to each classes of shares

Voting

The holders of each share of preferred stock shall be entitled to one vote per share and shall vote together with the holders of common stock as a single class on all matters to be voted on by the Company's shareholders.

Dividends

Dividends on preference share, classified as equity since obligation to pay dividend is at boards discretion, is at the rate of 8% on the liquidation value from the date of issuance of preferred stock till the liquidation value is paid in full, whether or not they have been declared. Unless agreed by the holders of majority outstanding shares of preferred stock neither the Company nor any of its subsidiaries shall declare or pay any dividends on common stock. Dividend on preference shares has not been accrued since the entity can avoid the payment of dividend till liquidation.

Liquidation

Upon any liquidation, dissolution or winding up of the Company, the holders of preferred stock will only be entitled to be paid before any distribution or payment is made to holders of any other equity securities an amount in cash equal to the aggregate liquidation value (plus all accrued and unpaid dividends thereon) on all such preferred stock outstanding. Liquidation value with respect to Series A preference shares is USD 10 per share plus any and all accumulated and unpaid dividends which are added to the liquidation value. Liquidation value with respect to Series B preference shares is USD 10 per share plus interest rate at 2% per annum from the date of issuance of such series B preference shares plus any and all accumulated and unpaid dividends which are added to the liquidation value.

D) Shareholders holding more than 5%:

Shareholders holding more than 5% common stock in the Company is set out below:

Shares of the Common Stock of \$ 0.0001 each	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
<i>Common stock</i>				
Indegene Limited (formerly Indegene Private Limited)	1,066,250	107%	1,066,250	100%
<i>Preferred Stock (Series A)</i>				
Indegene Limited (formerly Indegene Private Limited)	574,851	100%	574,851	100%
<i>Preferred Stock (Series B)</i>				
Indegene Limited (formerly Indegene Private Limited)	782,000	100%	782,000	100%

E) Shareholding of Promoters: Nil

13 Other equity

	As at 31 March 2024	As at 31 March 2023
Reserves and surplus		
A. Retained earnings	(20,754,571)	(18,446,279)
B. Securities premium	31,568,366	31,568,366
	10,813,795	13,122,087

Particulars

A. Retained earnings

	As at 31 March 2024	As at 31 March 2023
Opening balance	(18,446,279)	(15,081,071)
Loss for the year	(2,308,292)	(3,365,208)
Closing balance	(20,754,571)	(18,446,279)

B. Securities Premium

	As at 31 March 2024	As at 31 March 2023
Opening Balance	31,568,366	13,568,373
Loan from Parent Company transferred by issuing equity*	-	17,999,993
Closing balance	31,568,366	31,568,366

*The amount received in excess of the par value was classified as share premium.

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ILSL Holdings, Inc.
Notes to Special Purpose Standalone Financial Statements
(All amounts in USD, unless otherwise stated)
14 Borrowings

	As at 31 March 2024	As at 31 March 2023
(a) Non-current borrowings		
Secured:		
From Banks		
Term Loan from M&T Bank ⁽¹⁾⁽²⁾⁽³⁾	23,333,333	28,000,000
Term Loan from HSBC Bank ⁽³⁾	16,666,667	20,000,000
Total Non-current	40,000,000	48,000,000
(b) Current borrowing		
Secured:		
From banks		
Term loan: current maturities of non current borrowings Bank from M&T Bank ⁽³⁾	4,200,000	-
Term loan: current maturities of non current borrowings Bank from HSBC Bank ⁽³⁾	3,000,000	-
Total current borrowing	7,200,000	-
Total borrowing	47,200,000	48,000,000

⁽¹⁾Term loan amounting to USD 4,750,000 taken from M&T bank for a period of 60 months carrying an interest rate of one-month USD LIBOR + 3.75% payable in monthly equated instalments commencing on November 2019. This loan is secured against the ILSL Holdings Inc. and its subsidiaries assets. The LIBOR rate has been hedged at 0.39% via an Interest Rate swap with M&T bank for interest payments. The loan was settled on 21 March 2023.

⁽²⁾ On 12 October 2022, the Company entered into loan agreement with M&T Bank to extend a short term bridge loan for the purpose of acquiring Cult Health LLC, aggregating to USD 48,000,000. Bridge loan was with a maturity date of 01 April 2023 with an interest of daily SOFR + 1.50%. Also, the Company and M&T Bank also amended the existing terms and extend a revised Revolving Credit aggregating to USD 11,000,000. Investments in Treasury Bills from Wilmington Trust are held as collateral against the loan. Further, on 28 March 2023, the Company entered into a new secured credit agreement for re-financing the existing bridge loan to a term loan and consequent the bridge loan is re-financed as term loan with effect from 28 March 2023 (see below note for details).

⁽³⁾ On 28 March 2023, the Company has entered into a USD 58,000,000 secured credit agreement with M&T Bank as Administrative Agent and Lender. The credit facility consists of a USD 48,000,000 Term Loan and USD 10,000,000 Revolver. The Lenders are M&T Bank and HSBC Bank USA, N.A. (HSBC Bank), providing term loan for USD 28,000,000 and USD 20,000,000, respectively and additional working capital revolving credit facility from M&T Bank and HSBC Bank for USD 5,830,000 and USD 4,170,000, respectively, to re-finance the existing bridge loan and revolving credit facility outstanding from M&T Bank. Term loan taken from M&T bank and HSBC bank is for a period of 36 months carrying an interest rate of SOFR +2.45% payable after a moratorium period of 12 months in respect of principal, starting March 2024 in 23 equated instalments commencing of USD 800,000 and the balance payable in the last instalment due on March 2026. Tangible and intangible assets, including cash, securities, accounts and contract rights, of the Group are pledged as security against the facility. As at 31 March 2024, the Group has not utilised any balance of the revolving credit facility.

Subsequently, pursuant to the first modification agreement dated 28 March 2024, the repayment terms have been modified as consecutive monthly payments of interest only on the payment due dates in April, May and June 2024 followed by twenty consecutive monthly instalments of USD 800,000 together with interest payable beginning in July 2024 and one final instalment due in March 2026 to repay the remaining principal amount. The Company has already repaid one instalment of USD 800,000 on 1 March 2024 based on the original repayment schedule.

Note: Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

15 Non-current lease liabilities

	As at 31 March 2024	As at 31 March 2023
Lease liabilities	565,236	741,013
	565,236	741,013

16 Other non-current financial liabilities

	As at 31 March 2024	As at 31 March 2023
Contingent consideration (refer Note 33)*	6,014,287	16,609,725
	6,014,287	16,609,725

*Represents contingent consideration on acquisition of Cult w.e.f. 12 October 2022.

17 Current lease liabilities

	As at 31 March 2024	As at 31 March 2023
Lease liabilities	175,775	158,120
	175,775	158,120

ILSL Holdings, Inc.
Notes to Special Purpose Standalone Financial Statements
(All amounts in USD, unless otherwise stated)

18 Trade payables

	As at 31 March 2024	As at 31 March 2023
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	42,958	20,000
	42,958	20,000

Ageing for trade payables outstanding as at 31 March 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Not due	< 1 year	1 year to 2 years	> 3 years	
Outstanding dues of micro and small enterprises	-	-	-	-	-
Outstanding dues of creditors other than micro and small enterprises	42,177	-	-	-	42,177
Disputed dues of micro and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-
Total	42,177	-	-	-	42,177
Accrued expenses					781
					42,958

Ageing for trade payables outstanding as at 31 March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Not due	< 1 year	1 year to 2 years	> 3 years	
Outstanding dues of micro and small enterprises	-	-	-	-	-
Outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-
Disputed dues of micro and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-
Total	-	-	-	-	-
Accrued expenses					20,000
					20,000

During the year ended 31 March 2024 and 2023, no amount was paid to micro and small enterprises beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act, 2006. Further, no interest is accrued or remaining unpaid as at 31 March 2024 and 2023 respectively.

19 Other current financial liabilities

	As at 31 March 2024	As at 31 March 2023
Contingent consideration*	-	749,744
Commitment liability**	-	8,788,910
Interest accrued but not due	315,347	38,242
Payable to related parties***	71,821,235	72,628,349
	72,136,582	82,205,245

* Represents contingent consideration towards acquisition of MME.

** Represents commitment liability towards acquisition of DT Associates.

*** Refer note 27 on related party disclosure

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ILSL Holdings, Inc.
Notes to Special Purpose Standalone Financial Statements
(All amounts in USD, unless otherwise stated)

20 Other income	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest and dividend income	2,671,038	1,111,829
Liability no longer required reversed	725,000	-
Gain on exchange fluctuation (net)	813	858,090
Gain on sale of investment in subsidiary	209,759	-
Miscellaneous income	272,838	70,994
	3,879,448	2,040,913

21 Finance costs	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on borrowing from bank	3,748,177	2,508,924
Interest expense on others*	804,663	628,016
Interest on lease liabilities	58,135	32,245
Bank and other incidental charges**	165,973	856,477
	4,776,948	4,025,662

* Includes interest expenses pertaining to loan from related party, refer note 27 for related party transactions

**Includes facility charge paid on term loan and bridge loan.

22 Depreciation and amortisation expense	For the year ended 31 March 2024	For the year ended 31 March 2023
Amortisation of right-of-use asset (refer note 4)	187,288	204,207
	187,288	204,207

23 Other expenses	For the year ended 31 March 2024	For the year ended 31 March 2023
Rates and taxes	55,925	23,682
Insurance	90,501	98,831
Repairs & Maintenance		
Buildings	47,462	35,596
Legal and professional charges	17,074	187,650
Balances written off*	-	830,493
	210,962	1,176,252

* For the period ended 31 March 2023, balance pertaining to Medcases LLC (pursuant to dissolution order dated 16 August 2022 passed for the LLC by State of Delaware, Division of Corporation) was written off.

ILSL Holdings, Inc.**Notes to Special Purpose Standalone Financial Statements***(All amounts in USD, unless otherwise stated)***24 Taxes****(a) Statement of profit or loss**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Tax expense:		
Current tax	1,306,159	-
Income tax expense reported in the statement of profit or loss	1,306,159	-

(b) Reconciliation of tax expense and the accounting profit multiplied by the Company's domestic tax rate

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting loss before tax	(1,002,133)	(3,365,208)
Tax rate	25.99%	25.99%
Tax as per the statutory regulations	-	-
Tax expenses		
Current tax	1,306,159	-
	1,306,159	-
Difference	(1,306,159)	-
Tax reconciliation		
Adjustments:		
Tax paid on group company (Cult Health LLC)	1,306,159	-
Difference	-	-

As per the statutory regulations, companies can settle tax dues at a Group level. The Company has losses carried forward, the credit of which, can be availed by other companies in the same group incorporated in US.

25 Earnings Per Share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Basic Earnings Per Share		
Loss attributable to equity shareholders		
(i) Loss for basic earning per share of USD 0.0001 each		
Loss for the year	(2,308,292)	(3,365,208)
(ii) Weighted average number of equity shares outstanding during the year	1,066,250	1,014,702
Basic earnings per share (face value of USD 0.0001 each)	(2.16)	(3.32)
Diluted Earnings Per Share		
(i) Loss for diluted earning per share of USD 0.0001 each		
Loss for the year	(2,308,292)	(3,365,208)
(ii) Weighted average number of equity shares outstanding during the year	1,066,250	1,014,702
Diluted earnings per share (face value of USD 0.0001 each)	(2.16)	(3.32)

26 Commitments and Contingencies

Nil

27 Related Party Disclosures

(A) Related parties and the nature of the relationship

List of subsidiaries, step subsidiaries, fellow subsidiaries and other related parties is provided in the table below:

(a) Parent Company	Country of Incorporation	As at 31 March 2024	As at 31 March 2023
Indegene Limited (formerly Indegene Private Limited)	India	100%	100%

(b) Subsidiaries	Country of Incorporation	As at 31 March 2024	As at 31 March 2023
Indegene, Inc.	USA	100%	100%
Medcases LLC (dissolved as of 16 August 2022)	USA	-	-
Indegene Healthcare LLC (dissolved as of 18 August 2022)	USA	-	-
Indegene Ireland Limited ⁽¹⁾	Ireland	-	100%
DT Associates Research and Consulting Services Ltd ("DT Associates")	England and Wales	100%	60%
DT Associates Research and Consulting Inc. ⁽²⁾	USA	100%	100%
Cult Health LLC ⁽³⁾	USA	100%	100%

(c) Step subsidiaries	Country of Incorporation	As at 31 March 2024	As at 31 March 2023
Services Indegene Aptilon Inc	Canada	100%	100%
DT Associates Research and Consulting Inc. ⁽²⁾	USA	-	60%
Indegene Healthcare Germany GmbH (formerly Sotus 852 GmbH) ⁽⁴⁾	USA	-	100%

(d) Fellow Subsidiaries	Country of Incorporation	As at 31 March 2024	As at 31 March 2023
Indegene Fareast Pte Ltd. ⁽⁵⁾	Singapore	100%	100%
Indegene Europe LLC ⁽⁶⁾	Switzerland	100%	100%
Indegene Lifesystems Consulting (Shanghai) Co. Ltd. ⁽⁷⁾	China	100%	100%
Indegene Japan, LLC	Japan	100%	100%
Indegene Healthcare Mexico S de RL de CV	Mexico	100%	100%
Indegene Ireland Limited ⁽¹⁾	Ireland	100%	-
Indegene Healthcare Germany GmbH (formerly Sotus 852 GmbH) ⁽⁴⁾	USA	100%	-
Indegene Healthcare UK Limited ⁽⁸⁾	England	100%	-
Trilogy Writing & Consulting GmbH ⁽⁹⁾	Germany	100%	-
Trilogy Writing & Consulting Limited ⁽¹⁰⁾	England	100%	-
Trilogy Writing & Consulting Inc ⁽¹⁰⁾	USA	100%	-
Trilogy Writing & Consulting ULC ⁽¹⁰⁾	Canada	100%	-

⁽¹⁾Indegene Limited has acquired 100% of equity shares from ILSL Holdings Inc w.e.f 30 June 2023.
⁽²⁾ ILSL Holdings, Inc. has acquired 100% of equity shares from DT Associates Research and Consulting Services Ltd w.e.f 24 July 2023..
⁽³⁾ Wholly owned subsidiary of ILSL Holdings Inc w.e.f. 12 October 2022.
⁽⁴⁾ Wholly owned subsidiary of Indegene Ireland Limited w.e.f. 10 November 2022.
⁽⁵⁾ Indegene Ireland Limited has acquired 100% equity and preference shares from Indegene Limited w.e.f. 28 December 2023.
⁽⁶⁾ Indegene Ireland Limited has acquired 100% equity shares from Indegene Limited w.e.f. 27 December 2023.
⁽⁷⁾ Indegene Ireland Limited has acquired 100% equity shares from Indegene Limited w.e.f. 14 March 2024.
⁽⁸⁾ Indegene Healthcare UK Limited has been incorporated w.e.f. 7 December 2023.
⁽⁹⁾ Wholly owned subsidiary of Indegene Ireland Limited w.e.f. 22 March 2024.
⁽¹⁰⁾ Step down subsidiary of Indegene Ireland Limited w.e.f. 22 March 2024.

(e) Other related parties	Nature of Relationship
OT Services Private Limited, India	Entity with common shareholders with significant influence
Exeevo Inc, USA(Formerly Omnipresence Technologies Inc)	Subsidiary of entity with common shareholders with significant influence
Exeevo Services Inc, Canada (Formerly Omnipresence Technologies Services Inc)	Subsidiary of entity with common shareholders with significant influence

(f) Key management personnel ("KMP")	Nature
Dr. Rajesh B Nair	Director
Mr. Manish Gupta	Director

ILSL Holdings, Inc.**Notes to Special Purpose Standalone Financial Statements***(All amounts in USD, unless otherwise stated)***(B) Transactions and Balances outstanding with the above related parties during the year:**

Nature of Transactions with related parties are as follows:

Nature of transactions	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses paid by subsidiaries on behalf of the Company	37,664	1,424
Expenses paid by Parent Company on behalf of the Company	-	85,935
Expenses paid by Company on behalf of the Parent Company	2,472	-
Expenses paid on behalf of subsidiaries	555,363	255,805
Conversion of loan from Parent Company to equity shares	-	18,000,000
Issue of shares (including securities premium)	-	18,000,000
Interest expense	-	1,159,890

Following are the significant related party transactions during the year ended 31 March 2024 and 31 March 2023.

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses paid by subsidiaries on behalf of the Company		
Indegene, Inc.	37,664	1,424
Expenses paid by the Parent Company		
Indegene Limited (formerly Indegene Private Limited)	-	85,935
Expenses paid by Company on behalf of the Parent Company		
Indegene Limited (formerly Indegene Private Limited)	2,472	-
Expenses paid by the Company on behalf of other related parties		
Indegene, Inc.	555,363	255,805
Conversion of loan from Parent Company to equity shares		
Indegene Limited (formerly Indegene Private Limited)	-	18,000,000
Issue of equity shares (including securities premium)		
Indegene Limited (formerly Indegene Private Limited)	-	18,000,000
Interest expense on loan from Parent Company		
Indegene Limited (formerly Indegene Private Limited)	-	1,159,890

Balances receivable/payable from / to related parties are as follows:

Nature of transaction	As at 31 March 2024	As at 31 March 2023
Other payables	71,821,235	72,628,349
Other receivables	282,349	2,500

28 Fair value measurements

(a) Categories of financial instruments -

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the company, other than those with carrying amounts that are reasonable approximate of fair value

Particulars	As at 31 March 2024	As at 31 March 2023
Financial Assets		
FVTPL		
Derivative Financial Assets	-	198,761
Amortised Cost		
Investment	35,107,687	54,199,103
Cash and cash equivalents	169,483	27,020
Security deposits	30,000	30,000
Other financial assets	1,247,812	1,510,021
	36,554,982	55,766,144
Total Financial Assets	36,554,982	55,964,905
Financial Liabilities		
FVTPL		
Commitment liability and contingent consideration	6,014,287	26,148,379
Amortised Cost		
Borrowings	47,200,000	48,000,000
Trade payables	42,958	20,000
Lease liabilities	741,011	899,133
Other financial liabilities	72,136,582	72,666,591
	120,120,551	121,585,724
Total Financial Liabilities	126,134,838	147,734,103

Notes:

The fair value of cash and cash equivalents, trade receivables, unbilled receivables, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt has been hedged via an Interest rate swap. Accordingly, the carrying value of such long-term debt approximates fair value.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

(b) Fair value hierarchy:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1, 2 and 3 during the year ended 31 March 2024 and 31 March 2023.

The carrying values of financial instruments such as short-term trade receivables and payables, reasonably approximates to fair value and hence separate disclosure of the fair values are not made.

As at 31 March 2024

Particulars	Level 1	Level 2	Level 3	Total
Liabilities				
Commitment liability and contingent consideration	-	-	6,014,287	6,014,287

As at 31 March 2023

Particulars	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial assets	-	198,761	-	198,761
Liabilities				
Commitment liability and contingent consideration	-	-	26,148,379	26,148,379

Details of commitment liability and contingent consideration considered under Level 3 classification

Particular	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	26,148,398	10,433,593
Additions/(reversal)	(725,000)	16,283,000
Change in fair value (refer note 33)	(11,293,953)	-
Payouts	(8,986,918)	(536,883)
Accretion of interest	804,643	(31,312)
Translation adjustment and gain on forward contract	67,117	-
Balance at the end of the year	6,014,287	26,148,398

29 Financial risk management

The Company has exposure to the credit, liquidity and market risks from its use of financial instruments. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their rules and obligations.

(i) 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 interest rate risk and currency risk financial instruments affected by market risk include trade receivables, trade payables and borrowings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

(a) Interest Rate Risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. The Company's borrowings are from Parent Company term loans and revolving credit facility with M&T Bank which carries a floating rate of USD LIBOR + 3.50%.

The Company manages its net exposure to interest rate risk relating to borrowings by entering into interest rate swap agreements, which allows it to exchange periodic payments based on a notional amount and agreed upon fixed and floating interest rates. Certain borrowings are also transacted at fixed interest rates. If interest rates were to increase/decrease by 75 bps from 31 March 2024 and 31 March 2023 additional net annual interest expense on floating rate borrowing would amount to approximately USD 354,000 (2023: USD 360,000).

(b) Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. Company transacts business in its functional currency (USD) and in other foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, where revenue or expense is denominated in a foreign currency.

The below table presents foreign currency risk from non-derivative financial instruments as of 31 March 2024 and 31 March 2023:

Particulars	GBP	
	As at 31 March 2024	As at 31 March 2023
Other financial liabilities	-	8,788,910

As at 31 March 2024 and 31 March 2023, respectively, every 1% increase/ decrease of GBP currency compared to the functional currency of the Company

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investments. The carrying amount of financial assets represents the maximum credit exposure.

(a) Investment (at amortised cost)

Includes investments in US Treasury Bills having a AAA rating assigned by the credit rating agencies.

Financial assets that are neither past due nor impaired

Cash and cash equivalents are neither past due nor impaired. Cash and cash equivalents with banks which have high credit-ratings assigned by domestic credit-rating agencies.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. As of 31 March 2023, cash and cash equivalents are held with major banks and financial institutions.

The table below summarizes the maturity profile of the Company's financial liabilities, including the estimated interest payments, at the reporting date, based on contractual undiscounted payments:

As at 31 March 2024

Contractual cash flows	Carrying value	6 months or less	6 months to 1 year	More than one	Total
Borrowings	47,200,000	4,246,190	6,479,609	42,781,701	53,507,500
Trade payables	42,958	42,958	-	-	42,958
Lease obligation	741,011	110,376	111,874	622,133	844,383
Other financial liabilities	78,150,869	72,136,582	-	6,538,156	78,674,738
Total	126,134,838	76,536,106	6,591,483	49,941,990	133,069,579

As at 31 March 2023

Contractual cash flows	Carrying value	6 months or less	6 months to 1 year	More than one year	Total
Borrowings	48,000,000	1,728,000	1,728,000	53,587,200	57,043,200
Trade payables	20,000	20,000	-	-	20,000
Lease obligation	899,133	107,379	108,877	844,382	1,060,638
Other financial liabilities	98,814,970	73,416,591	8,892,648	18,092,496	100,401,735
Total	147,734,103	75,271,970	10,729,525	72,524,078	158,525,573

30 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The capital is managed to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure.

ILSL is a closely held Company, in which 100% of the capital as at 31 March 2024 is held by the Parent Company. The Company is not subject to externally imposed capital requirements.

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings (refer note 14)	47,200,000	48,000,000
Net debt (a)	47,200,000	48,000,000
Equity share capital (refer note 12)	243	243
Other equity (refer note 13)	10,813,795	13,122,087
Total capital (b)	10,814,038	13,122,330
Capital and net debt (c)	58,014,038	61,122,330
Gearing ratio (a/c)	81%	79%
Total debt as a percentage of total equity (a/b)	436%	366%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to maintain investor, creditor and market confidence and to sustain future development of the business.

31 Leases

(a) For right-of-use assets schedule - refer note 4

(b) Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Current	175,775	158,120
Non-current	565,236	741,013
Total	741,011	899,133

(c) Amount recognised in Special Purpose Statement of Profit and Loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amortization	187,288	204,207
Interest on lease liabilities	58,135	32,245

(d) Expenses on short term leases / low value assets- Nil

(e) Movement of lease liability

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance as at beginning of the year	899,133	203,910
Additions	-	952,050
Finance cost accrued during the year	58,135	32,245
Payment of lease liabilities	(216,257)	(289,072)
Balance as at end of the year	741,011	899,133

(f) Maturity analysis – contractual undiscounted cash flows

Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	222,250	216,256
One to five years	622,133	844,382
More than five years	-	-
Total undiscounted lease liabilities	844,383	1,060,638

32 Corporate social responsibility

The Company is not covered under section 135 of the Companies Act 2013 and accordingly the corporate social responsibility requirements are not applicable.

33 Exceptional items

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Fair value movement of contingent consideration ⁽¹⁾	11,293,953	-
Diminution in value of investment ⁽²⁾	(11,000,336)	-
	293,617	-

⁽¹⁾ The Company remeasured change in fair value of contingent consideration towards earnout payout relating to Cult Health LLC, which was measured at its fair valuation on acquisition and recognized the resultant gain of USD 11,293,953.

⁽²⁾ Diminution in the value of investment of Cult acquisition. (refer note 34)

34 Acquisition of Cult Health LLC ("Cult")

On 12 October 2022, the Company had obtained control of Cult Health LLC ('Cult'), a leading healthcare marketing company with expertise in medical strategy, creative and omnichannel planning services, by acquiring 100% of its membership interest. The acquisition was consummated for a consideration of USD 65,083,260 which includes earnout payment of USD 16,283,000. The contingent consideration is based on the performance of Cult Health LLC during the fiscal year beginning 01 April 2023 and ending 31 March 2026 and range of contingent consideration payable is between USD Nil to USD 37,000,000. The Company believes that the acquisition will enhance the commercialization portfolio adding market development and brand strategy competencies along with patient engagement platforms. The fair value of contingent consideration is estimated by using monte carlo simulation with beta and normal distribution, as applicable, considering risk free rate ranging from 4.10%- 4.20%, for the respective years, with adjusted revenue and earnings estimates.

The financial projections basis which the future cash flows have been estimated consider the impact of reduction in certain customers revenues and related cash flows for future period, reassessment of impact on discount rates and growth rates as a consequent to decrease in the future cash flows, including terminal value and subjecting these variables to sensitivity analysis. Accordingly, value of investment in Cult Health LLC as at 31 March 2024, were reduced to reflect the adverse impact of the reduction in revenues from certain customers and as a consequence diminution in the value of investment amounting to USD 11,000,336 has been recognised under exceptional items.

35 Subsequent Events

The Company has evaluated all events or transactions that occurred after 31 March 2024 up through 09 August 2024, the date the financial statements were authorised for issue by the Board of Directors. Based on this evaluation, the Company is not aware of any events or transactions that would require recognition

36 Previous year's figures

Previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary to be comparable with the figures of the current year's classification and disclosure.

As per our report of even date attached

for **Ken & Co.**
Chartered Accountants
Firm Registration Number: 015385S

for and on behalf of the Board of Directors of
ILSL Holdings, Inc.

Sd/-
E Narasimhan
Partner
Membership Number: 228470
Place: Bengaluru
Date: 09 August 2024

Sd/-
Manish Gupta
Director
Place: Bengaluru
Date: 09 August 2024