



### **Independent Auditor's Report on the Financial Statements of Aquity Solutions LLC**

To,  
The Board of Directors,  
Aquity Solutions LLC

1. We have completed our assurance engagement to report on the Financial Statements of Aquity Solutions LLC prepared and presented by the management of the Company. The Financial Statements consists of the balance sheet as at March 31, 2024, the statement of profit and losses (including other comprehensive income), the statement of cash flows, the statement of changes in equity and related notes to the financial statements. The period for which this report is issued covers from October 28, 2023, to March 31, 2024. The applicable criteria based on which the management of the Company has compiled the Financial Statements are described in note 2 of the Financial Statements.

#### **Management's Responsibility for the Financial Statements**

2. The Management of the Company is responsible for compiling the Financial Statements on the basis set out in note 2 to the Financial Statements of the Aquity Solutions LLC (hereinafter the "Company") including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes for designing, implementing, and maintaining internal control relevant for compiling the Financial Statements on the basis set out in note 2 to the Financial Statements that is free from material misstatement, whether due to fraud or error.
3. The Management of the Company is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Financial Statements.

#### **Our Responsibilities**

4. Our responsibility is to express an opinion, as required by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations"), about whether the Financial Statements have been compiled, in all material respects, by the Management of the Company on the basis set out in note 2 to the Financial Statements ("Applicable Criteria").
5. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India (ICAI) and in particular SA 800 'Special Considerations-Audit of Financial Statements prepared in Accordance with Special Purpose Frameworks'. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Statements, and Other Assurance and Related Services Engagements.
7. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us,

8. The aforesaid financial statements give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") consists of the balance sheet as at March 31, 2024, the statement of profit and loss (including other comprehensive income), the statement of cash flows, the statement of changes in equity and related notes to the financial statements for the period from October 28, 2023 to March 31, 2024.



9. The financial statements dealt with by this report are translated from United States Dollar (USD) to Indian Rupees (INR) by adopting the applicable rates of foreign currency for the year in accordance with the accounting policy followed by the company.

**Other Matter**

10. Without modifying our opinion, we draw attention to Note 2 to these financial statements, which describe the basis of accounting. These financial statements are "special purpose financial statements" and do not constitute a set of statutory financial statements in accordance with the local laws in which the Entity is incorporated and are prepared for the purpose of its compliance with the Ind AS requirements.

**Restrictions on use**

11. This report should not in any way be construed as a reissuance or re-auditing or re-examination of any of the previous audits and any other reports issued by other auditors. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors of Aquity Solutions LLC (subsidiary company) in connection with the proposed listing of equity shares of Inventurus Knowledge Solutions Limited (ultimate holding entity) to be filed with the Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection and is not to be used, referred to or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For S D T & Co.  
Chartered Accountants  
ICAI firm registration number: 112226W

CA Dilip K. Thakkar  
Partner  
Membership No: 031269  
UDIN: 24031269BKDOZQ2932  
Place of Signature: Vadodara  
Date: August 7, 2024



Aquity Solutions, LLC  
Special Purpose Standalone Balance Sheet as at March 31, 2024  
(Amounts in INR millions, unless otherwise stated)

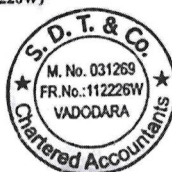
| Particulars                                                   | Notes | As at<br>March 31, 2024 |
|---------------------------------------------------------------|-------|-------------------------|
| <b>A ASSETS</b>                                               |       |                         |
| Non-current assets                                            |       |                         |
| Property, plant and equipment                                 | 6     | 73.26                   |
| Goodwill                                                      | 8     | 1,929.31                |
| Other intangible assets                                       | 8     | 150.13                  |
| Financial assets                                              |       |                         |
| Other financial assets                                        | 9     | 0.71                    |
| Non-current tax assets (net)                                  | 10    | 28.64                   |
| Deferred tax assets                                           | 30    | 548.57                  |
| <b>Total non-current assets</b>                               |       | <b>2,730.62</b>         |
| Current assets                                                |       |                         |
| Inventories                                                   | 12    | 7.47                    |
| Financial assets                                              |       |                         |
| i. Trade receivables                                          | 13    | 1,952.98                |
| ii. Cash and cash equivalents                                 | 14    | 737.58                  |
| iv. Other financial assets                                    | 9     | 3,256.77                |
| Other current assets                                          | 11    | 165.69                  |
| <b>Total current assets</b>                                   |       | <b>6,120.49</b>         |
| <b>TOTAL ASSETS</b>                                           |       | <b>8,851.11</b>         |
| <b>B EQUITY AND LIABILITIES</b>                               |       |                         |
| Equity                                                        |       |                         |
| Equity share capital                                          | 15    | 1,229.85                |
| Other equity                                                  | 16    | 4,500.06                |
| <b>Total equity</b>                                           |       | <b>5,729.91</b>         |
| Liabilities                                                   |       |                         |
| Non-current liabilities                                       |       |                         |
| Financial liabilities                                         |       |                         |
| Other financial liabilities                                   | 19    | 66.17                   |
| <b>Total non-current liabilities</b>                          |       | <b>66.17</b>            |
| Current liabilities                                           |       |                         |
| Financial liabilities                                         |       |                         |
| i. Borrowings                                                 | 17    | 380.06                  |
| ii. Trade payables                                            | 20    | 222.64                  |
| total outstanding dues other than micro and small enterprises |       |                         |
| iii. Other financial liabilities                              | 21    | 1,929.33                |
| Contract liabilities                                          | 38    | 11.75                   |
| Provisions                                                    | 18    | 159.80                  |
| Current tax liabilities                                       | 22    | 18.34                   |
| Other current liabilities                                     | 23    | 333.11                  |
| <b>Total current liabilities</b>                              |       | <b>3,055.03</b>         |
| <b>TOTAL LIABILITIES</b>                                      |       | <b>3,121.20</b>         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                           |       | <b>8,851.11</b>         |

Summary of material accounting policies  
The accompanying notes are an integral part of the  
Standalone financial information

As per our report of even date

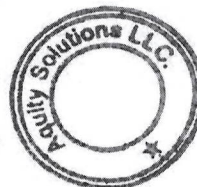
For S D T & Co.  
Chartered Accountants  
(Firm Registration No: 112226W)

Dilip K. Thokkar  
(Partner)  
Membership No: 031269  
Place : Vadodara, India  
Date: August 7, 2024



For and on behalf of the Board of Directors of  
Aquity Solutions, LLC

Authorized signatory  
Place : Mumbai  
Date: August 7, 2024



UDIN:24031269BKDOZQ2932

**Aquity Solutions, LLC**  
**Special Purpose Standalone Statement of Profit and Loss for the period ended March 31, 2024**  
(Amounts in INR millions, unless otherwise stated)

| Particulars                                                                         | Notes | For the period<br>October 28, 2023 to<br>March 31, 2024 |
|-------------------------------------------------------------------------------------|-------|---------------------------------------------------------|
| <b>INCOME</b>                                                                       |       |                                                         |
| Revenue from operations                                                             | 24    | 5,148.45                                                |
| Other income                                                                        | 25    | 86.66                                                   |
| <b>Total income</b>                                                                 |       | <b>5,235.11</b>                                         |
| <b>EXPENSES</b>                                                                     |       |                                                         |
| Changes in Inventories of stock-in-trade                                            |       | 7.14                                                    |
| Employee benefit expense                                                            | 26    | 2,394.76                                                |
| Finance cost                                                                        | 27    | 0.48                                                    |
| Depreciation and amortisation expenses                                              | 28    | 38.46                                                   |
| Other expenses                                                                      | 29    | 2,195.66                                                |
| <b>Total expenses</b>                                                               |       | <b>4,636.50</b>                                         |
| <b>Profit before tax</b>                                                            |       | <b>598.61</b>                                           |
| <b>Income tax expense</b>                                                           | 30    |                                                         |
| Current tax                                                                         |       | 48.72                                                   |
| Deferred tax                                                                        |       | 127.46                                                  |
|                                                                                     |       | <b>176.18</b>                                           |
| <b>Profit for the period</b>                                                        |       | <b>422.43</b>                                           |
| <b>Other Comprehensive Income</b>                                                   |       |                                                         |
| <i>Items that may be reclassified to profit or loss</i>                             |       |                                                         |
| Foreign currency translation differences                                            |       | 12.27                                                   |
| <b>Other comprehensive income for the period (net of tax)</b>                       |       | <b>12.27</b>                                            |
| <b>Total comprehensive income for the period</b>                                    |       | <b>434.70</b>                                           |
| <b>Earnings per share (Nominal value of share ₹ 1 each)</b>                         |       |                                                         |
| Basic earnings per share                                                            | 33    | NA                                                      |
| Diluted earnings per share                                                          |       | NA                                                      |
| Summary of material accounting policies                                             | 2     |                                                         |
| The accompanying notes are an integral part of the Standalone financial information |       |                                                         |

As per our report of even date

For S D T & Co  
Chartered Accountants  
(Firm Registration No: 112226W)

Dilip K. Thakkar  
(Partner)  
Membership No: 031269  
Place : Vadodara, India  
Date: August 7, 2024

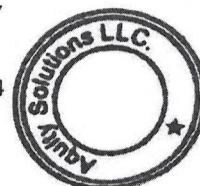
UDIN:24031269BKDOZQ2932



For and on behalf of the Board of Directors of  
Aquity Solutions, LLC

Authorized signatory

Place : Mumbai  
Date: August 7, 2024



Aquity Solutions, LLC  
Special Purpose Standalone Statement of Cash Flows for the period ended March 31, 2024  
(Amounts in INR millions, unless otherwise stated)

| Particulars                                                          | For the period<br>October 28, 2023 to<br>March 31, 2024 |
|----------------------------------------------------------------------|---------------------------------------------------------|
| <b>Cash flow from operating activities</b>                           |                                                         |
| Profit before tax                                                    | 598.61                                                  |
| Adjustment For :                                                     |                                                         |
| Depreciation and amortisation expenses                               | 38.46                                                   |
| Non-cash employee share-based payments                               | 11.56                                                   |
| Impairment reversals on trade receivables and contract assets        | (7.21)                                                  |
| Interest income                                                      | (1.93)                                                  |
| Finance costs                                                        | 0.48                                                    |
| Changes in fair value of contingent consideration                    | (72.82)                                                 |
| <b>Operating profit before changes in working capital</b>            | <b>567.15</b>                                           |
| <b>Changes in working capital:</b>                                   |                                                         |
| Decrease in trade receivables and contract assets                    | 185.64                                                  |
| Decrease in inventories                                              | 7.14                                                    |
| Increase in current financial assets                                 | (2,012.23)                                              |
| Decrease in other non-current and current assets                     | 685.57                                                  |
| Decrease in trade payables                                           | (83.64)                                                 |
| Decrease in current financial liabilities                            | 1,769.44                                                |
| Decrease in other current liabilities                                | (2,544.26)                                              |
| Increase in contract liabilities                                     | 0.19                                                    |
| Decrease in provisions                                               | (39.94)                                                 |
| <b>Cash generated from operating activities before taxes</b>         | <b>(1,464.94)</b>                                       |
| Income tax paid                                                      | (3.98)                                                  |
| <b>Net cash generated from operating activities (A)</b>              | <b>(1,468.92)</b>                                       |
| <b>Cash Flows From Investing Activities</b>                          |                                                         |
| Purchase of property, plant and equipment                            | (16.10)                                                 |
| Purchase of other intangible assets                                  | (28.96)                                                 |
| Interest received                                                    | 1.93                                                    |
| <b>Net cash used in investing activities (B)</b>                     | <b>(43.13)</b>                                          |
| <b>Cash Flows From Financing Activities</b>                          |                                                         |
| Contingent consideration payments                                    | (2.94)                                                  |
| Proceeds from borrowings                                             | 380.06                                                  |
| Payment of lease liabilities                                         | (1.52)                                                  |
| Payment of other borrowing costs                                     | (0.47)                                                  |
| <b>Net cash generated from financing activities (C)</b>              | <b>375.13</b>                                           |
| <b>Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)</b> | <b>(1,136.92)</b>                                       |
| Cash and cash equivalents at the beginning of the period             | 1,859.56                                                |
| Net foreign exchange difference                                      | 14.94                                                   |
| <b>Cash and cash equivalents at the end of the period</b>            | <b>737.58</b>                                           |

Notes:

(a) The above Cash flow statement has been prepared under the indirect method set out in Indian Accounting Standard 7 (IND AS 7), "Statement of Cash Flows" notified under section 133 of the Companies Act 2013.

(b) Cash and cash equivalents as per above comprise of the following:

| Particulars                                    | As at<br>March 31, 2024 |
|------------------------------------------------|-------------------------|
| Balances with banks:                           |                         |
| in current accounts                            | 737.58                  |
| <b>Balances as per statement of cash flows</b> | <b>737.58</b>           |

(c) Change in Liability arising from Financing Activities

| Particulars              | October 28, 2023 | Cash Flow     | Others*           | March 31, 2024 |
|--------------------------|------------------|---------------|-------------------|----------------|
| Borrowings - Non current | 4,845.25         | -             | (4,845.25)        | -              |
| Borrowings - Current     | 49.95            | 380.06        | (49.95)           | 380.06         |
| <b>Total</b>             | <b>4,895.20</b>  | <b>380.06</b> | <b>(4,895.20)</b> | <b>380.06</b>  |

\* As part of the acquisition by Inventurus Knowledge Solutions Inc., the liability as on acquisition date has been paid directly by Inventurus Knowledge Solutions Inc. to the lender and thus it is taken under others instead of cash flow in the above note.

Summary of material accounting policies 2  
The accompanying notes are an integral part of the Standalone financial information

As per our report of even date

For S D T & Co  
Chartered Accountants  
(Firm Registration No: 112226W)

*[Signature]*

(Partner)  
Membership No: 031269  
Place : Vadodara, India  
Date: August 7, 2024

For and on behalf of the Board of Directors of  
Aquity Solutions, LLC

*[Signature]*

Authorized signatory

Place : Mumbai  
Date: August 7, 2024

UDIN:24031269BKDOZQ2932



**Aquity Solutions, LLC**

**Special Purpose Standalone Statement of Changes in Equity for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

**A. Equity Share Capital**

| Particulars                                       | Note | As at March 31, 2024 |
|---------------------------------------------------|------|----------------------|
| Balance as at 28th October, 2023                  |      | 1,229.85             |
| Changes in equity share capital during the period | 15   | -                    |
| Balance as at end of the period                   |      | 1,229.85             |

**B. Other Equity**

As at March 31, 2024

| Particulars                                                   | Reserves and surplus | Other equity                     | Items of OCI                         | Total           |
|---------------------------------------------------------------|----------------------|----------------------------------|--------------------------------------|-----------------|
|                                                               | Retained earnings    | Contribution from holding entity | Foreign currency translation reserve |                 |
| Balance as at October 28, 2023                                | (217.45)             | -                                | 150.66                               | (66.79)         |
| Profit for the period                                         | 422.43               | -                                | -                                    | 422.43          |
| Other comprehensive Income (net of tax)                       | -                    | -                                | 12.27                                | 12.27           |
| <b>Total Comprehensive Profit for the period</b>              | <b>422.43</b>        | <b>-</b>                         | <b>12.27</b>                         | <b>434.70</b>   |
| <b>Transactions with owners in their capacity as owners</b>   |                      |                                  |                                      |                 |
| Contribution from holding entity                              | -                    | 4,120.59                         | -                                    | 4,120.59        |
| Others - Share based compensation of ultimate holding company | -                    | 11.56                            | -                                    | 11.56           |
| <b>Total</b>                                                  | <b>-</b>             | <b>4,132.15</b>                  | <b>-</b>                             | <b>4,132.15</b> |
| <b>Balance as at March 31, 2024</b>                           | <b>204.98</b>        | <b>4,132.15</b>                  | <b>162.93</b>                        | <b>4,500.06</b> |

Summary of material accounting policies

2

The accompanying notes are an integral part of the Standalone financial information

As per our report of even date

For S D T & Co  
Chartered Accountants  
(Firm Registration No: 112226W)

For and on behalf of the Board of Directors of  
Aquity Solutions, LLC

(Partner)  
Membership No: 031269  
Place : Vadodara, India  
Date: August 7, 2024  
UDIN:24031269BKDOZQ2932



Authorized signatory

Place : Mumbai  
Date: August 7, 2024



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

**Note 1: Corporate information**

The Special Purpose Standalone Financial Information consists of the standalone financial statements of Aquity Solutions, LLC, USA ("the entity") for the period from October 28, 2023, to March 31, 2024, following its acquisition.

The entity was incorporated on December 10, 2018. The entity is principally engaged in the provision of coding and scribe services and delivering medical transcriptions. Information on other related party relationships is provided in Note 35.

**Note 2: Material accounting policies**

This note provides a list of material accounting policies adopted in the preparation of these Special Purpose Standalone Financial Information.

**2.1. Basis of preparation**

The Special Purpose Standalone Financial Information of Aquity Solutions, LLC, USA comprises the Special Purpose Standalone Balance Sheet as at March 31, 2024, and the Special Purpose Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Standalone Statement of Cash Flows and the Special Purpose Standalone Statement of Changes in Equity for the period October 28, 2023 to March 31, 2024 and a summary of material accounting policies and other explanatory information (together referred to as the "Special Purpose Standalone Financial Information").

These Special Purpose Standalone Financial Information of the entity have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II (Ind AS) of Schedule III to the Companies Act, 2013, to the extent applicable (being reporting framework) for the preparation of these Special Purpose Standalone Financial Information. The accounting policies adopted for the preparation of this Special Purpose Standalone Financial Information are consistent to an extent applicable with those used for the preparation of annual financial statements for the year ended March 31, 2023 of its ultimate holding entity "Inventurus Knowledge Solutions Limited".

These Special Purpose Standalone Financial Information have been prepared by the Management of the entity for the purpose of complying with requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations on material subsidiaries and for the proposed initial public offering of equity shares of Inventurus Knowledge Solutions Limited (ultimate holding entity).

The Special Purpose Standalone Financial Information do not include the comparative financial information and disclosures and therefore are not complete set of Ind AS financial statements.

The Special Purpose Standalone Financial Information have been prepared on an accrual basis and historical cost convention, except for the following assets and liabilities which have been measured at fair value amount:

- (a) Certain financial assets and liabilities measured at fair value,
- (b) Share based payment transactions,
- (c) Contingent consideration

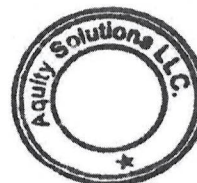
Though the functional currency of the entity is USD, for the purpose as enlisted above the Special Purpose Standalone Financial Information is presented in INR and all values are rounded to the nearest millions (INR 00,00,00), except when otherwise indicated. The entity has prepared the standalone financial information on the basis that it will continue to operate as a going concern.

**2.2. Summary of material accounting policies**

**a. Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the entity elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

The entity determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- (a) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- (b) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- (c) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the entity entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

When the entity acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the entity re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the entity's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

**b. Current versus non-current classification**

The entity presents assets and liabilities in the Special Purpose Standalone Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

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



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

All other assets are classified as non-current.

A liability is current when:

- (a) It is expected to be settled in normal operating cycle
- (b) It is held primarily for the purpose of trading
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The entity 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 realisation in cash and cash equivalents. The entity has identified twelve months as its operating cycle.

**c. Foreign currencies**

The functional currency of Aquity Solutions, LLC is the United States Dollar (USD). These standalone financial information are presented in Indian rupees, which is the presentation currency.

**(i) Transactions and balances**

Transactions in foreign currencies are initially recorded by the entity at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the entity uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Standalone Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the entity determines the transaction date for each payment or receipt of advance consideration.

**d. Fair value measurement**

The entity measures financial instruments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:



## Aquity Solutions, LLC

### Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024

(Amounts in INR millions, unless otherwise stated)

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial information on a recurring basis, the entity determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

(a) Disclosures for valuation methods, significant estimates and assumptions (notes 32 and 37)

(b) Quantitative disclosures of fair value measurement hierarchy (note 37)

(c) Financial instruments (including those carried at amortised cost) (note 37)

#### e. Revenue from contract with customer

The entity offers a tech enabled healthcare provider enablement platform to US-based healthcare organizations which includes diversified and unique solutions spanning the healthcare value chain that helps US-based healthcare providers operate more effectively and efficiently. This includes services where the entity assists the healthcare providers such as hospitals to manage their collection from insurance companies and other services such as managing clinical workflow of physicians. The entity also sells certain software products to healthcare providers.

Revenue is recognised either over a period of time as services are provided to customers or at a point in time when the performance obligation is completed, under the respective Statement of Works (SOWs) executed with each customer for each service and / or product. The revenue recognised reflects the consideration that the entity expects to receive in exchange for these services delivered.

Each SOW defines and details the components of services to be delivered and respective billing mechanisms (which could vary from per person per month fee, a percentage of collections, per customer per month etc). In instances where the entity is contractually able to recognise incentives / pass on discounts for performances linked to services already rendered, the entity estimates the same and accordingly adjusts the transaction price.

Certain contracts exist where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. In such cases, the entity adjusts the transaction price for the time value of money.

If the consideration in a contract includes a variable amount, the entity estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract assets primarily represent revenues earnings over time that are not yet billable based on the terms of the contracts. Contract liabilities consist of fees invoiced or paid by the entity's customers for which the associated performance obligations have not been satisfied and revenues have not been recognized based on the entity's revenue recognition criteria described above.

Unbilled revenue has been recognized considering contractual terms wherein the entity has an unconditional right to consideration before it invoices to customers.

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the entity exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

#### Cost to obtain a contract

The entity does not consider costs such as legal, travel, nor basic salary as capitalizable costs and therefore they are expensed as incurred. Although the entity deems implementation costs to represent a separate performance obligation incremental to obtaining a customer contract, the entity recognizes these costs as incurred as the overall dollar value of these costs is insignificant to the standalone financial information as a whole on an annual basis. The entity continually assesses the materiality of implementation costs to determine if a change in this accounting policy is deemed necessary.

#### f. Taxes



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

Tax expense comprises current tax expense and deferred tax.

**Current income tax**

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 entity operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The entity shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

**Deferred tax**

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 liabilities are recognised for all taxable temporary differences, except:

- (a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

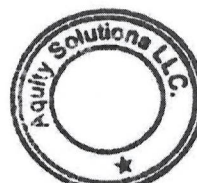
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

The entity offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

g. Property, plant and equipment



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

Property, plant and equipment ("PPE") are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost comprises of the purchase price including import duties and non-refundable taxes and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

| Asset class                    | Estimated useful life |
|--------------------------------|-----------------------|
| Computer equipment             | 3 years               |
| Furniture and office equipment | 5 years               |
| Leasehold improvements         | 5 years               |

The entity uses technical evaluation for determining for the useful life of assets, which are different than those specified by Schedule II of the Companies Act, 2013, in order to reflect the actual usage of the assets. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. The residual values are not more than 5% of the original cost of the asset.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss. Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

**h. Intangible assets**

**(a) Acquired Intangible Assets**

Intangible assets with finite useful lives that are acquired are initially recognised at cost in case of separately acquired assets and at fair value in case of acquisition in business combination. Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and impairment loss, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Amortisation method, estimated useful lives and residual values are reviewed at the end of each year and adjusted prospectively where appropriate.

An intangible asset is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on derecognition is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

**(b) Internally Developed Intangible Assets - Computer Software**

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the entity are recognised as intangible assets when the following criteria are met:

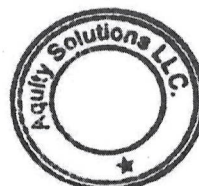
- (i) it is technically feasible to complete the software so that it will be available for use
- (ii) management intends to complete the software and use or sell it
- (iii) there is ability to use or sell the software
- (iv) it can be demonstrated how the software will generate probable future economic benefits
- (v) adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- (vi) the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

**(c) Research and Development Costs**

Research and development expenditure that do not meet the criteria in (b) above are recognised as an expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

**(d) Amortisation method and periods**



**Aquity Solutions, LLC****Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

Amortisation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

| Asset class          | Estimated useful life |
|----------------------|-----------------------|
| Software             | 2 years               |
| Developed Technology | 3 years               |
| Customer Contracts   | 5 years               |

**i. Leases**

The entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Entity as a lessee**

The entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(a) Right-of-use assets**

The entity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

**(b) Lease Liabilities**

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the entity and payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the entity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(c) Short-term leases and leases of low-value assets**

The entity applies the short-term lease recognition exemption to its leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**j. Inventories**

Inventories are valued at the lower of cost and net realisable value.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**k. Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the entity's unconditional right to consideration (that is, payment is due only on the passage of time).



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The entity holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the entity applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**l. Impairment of non-financial assets**

**Tangible and Intangible assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in the circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**m. Trade and other payables**

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**n. Provisions, Contingent liabilities and Contingent assets**

**Provisions**

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Special Purpose Standalone Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent liability**

Contingent liability is-

(a) a possible obligation arising 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 or

(b) a present obligation that arises from past events but is not recognized because

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- the amount of the obligation cannot be measured with sufficient reliability.

The entity does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37.

**Contingent liabilities recognised in a business combination**

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

**Contingent Asset**

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. The entity does not recognize the contingent asset in its standalone financial information since this may result in the recognition of income that may never be realised. Where an inflow of economic benefits are probable, the entity discloses a brief description of the nature of contingent assets at the end of the reporting period. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the entity recognizes such assets.



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

**o. Retirement and other employee benefits**

**(i) Compensated Absences**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

**(ii) Post-employment obligations**

The entity operates the following defined contribution post-employment scheme:

**Aquity Solutions, LLC – 401(k) plan**

The entity has a workplace retirement plan that includes a feature allowing an employee to elect to have the employer contribute a portion of the employee's wages to an individual account under the plan.

**p. 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.

**(A) Financial assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the entity has applied the practical expedient, the entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the entity has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (c) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the entity commits to purchase or sell the asset.

**Subsequent measurement**

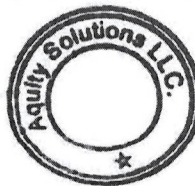
For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Financial assets at amortised cost (debt instruments)
- (ii) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- (iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- (iv) Financial assets at fair value through profit or loss.

**Financial assets at amortised cost (debt instruments)**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

This category is the most relevant to the entity. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The entity's financial assets at amortised cost includes trade and other receivables, and security deposits.

**Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

**Financial assets designated at fair value through OCI (equity instruments)**

Upon initial recognition, the entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Special Purpose Standalone Statement of Profit and Loss when the right of payment has been established, except when the entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the Special Purpose Standalone Balance Sheet at fair value with net changes in fair value recognised in the Special Purpose Standalone Statement of Profit and Loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the entity's Special Purpose Standalone Balance Sheet) when:

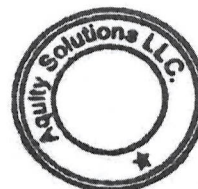
- (a) The rights to receive cash flows from the asset have expired, or
- (b) The entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the entity has transferred substantially all the risks and rewards of the asset, or (b) the entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the entity continues to recognise the transferred asset to the extent of the entity's continuing involvement. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

**Impairment of financial assets**

The entity recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the entity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the entity applies a simplified approach in calculating ECLs. Therefore, the entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**(B) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The entity's financial liabilities include trade and other payables, contingent consideration and borrowings.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- (a) Financial liabilities at fair value through profit or loss
- (b) Financial liabilities at amortised cost (loans and borrowings).

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the entity may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Special Purpose Standalone Statement of Profit and Loss. The entity has not designated any financial liability as at fair value through profit or loss.

**Financial liabilities at amortised cost (Loans and borrowings)**

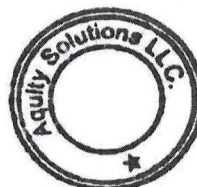
This is the category most relevant to the entity. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Special Purpose Standalone Statement of Profit and Loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Special Purpose Standalone Statement of Profit and Loss.

**Offsetting of financial instruments**



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

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

**q. Cash and cash equivalents**

Cash and cash equivalent in the Special Purpose Standalone Balance Sheet comprise cash at banks.

**r. Dividend**

The entity recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the entity. Generally, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**s. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**t. Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue or re-purchase of equity shares, net of any tax effects, are recognised as a deduction from equity.

**u. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments. Chief executive officer ("CEO") is identified as the CODM for the entity. The entity operates in one reportable segment i.e. "deliver medical transcription, coding, and scribe services". Refer note 39 for segment information presented.

**Note 3: Significant accounting judgements, estimates and assumptions**

The preparation of the entity's standalone financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the entity's exposure to risks and uncertainties includes:

- (a) Capital management (note 36)
- (b) Financial risk management objectives and policies (note 37)

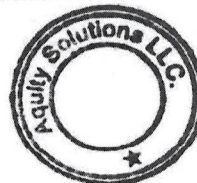
**Judgements**

In the process of applying the entity's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial information:

**Determining the lease term of contracts with renewal and termination options – Entity as a lessee**

The entity determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The entity has several lease contracts that include extension and termination options. The entity applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the entity reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The entity based its assumptions and estimates on parameters available when the standalone financial information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the entity. Such changes are reflected in the assumptions when they occur.

**Note 4: Recent accounting pronouncements**

**New and amended standards**

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

**(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the entity's standalone financial information.

**(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the entity's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the entity's standalone financial information.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

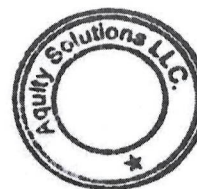
The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The entity previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the entity has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

**Note 5: Standards notified but not yet effective**

There are no standards that are notified and not yet effective as on the date.



**Aquity Solutions, LLC**
**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

**Note 6: Property, plant and equipment**

| Particulars                              | Computer equipment | Furniture and office equipment | Leasehold improvements | Total  |
|------------------------------------------|--------------------|--------------------------------|------------------------|--------|
| Gross carrying amount                    |                    |                                |                        |        |
| Balance as at October 28, 2023           | 183.09             | 59.08                          | 3.71                   | 245.88 |
| Additions                                | 11.53              | 4.53                           | 0.04                   | 16.10  |
| Exchange differences                     | (3.16)             | 0.36                           | (0.06)                 | (2.86) |
| Balance as at March 31, 2024             | 191.46             | 63.97                          | 3.69                   | 259.12 |
| Accumulated depreciation                 |                    |                                |                        |        |
| Balance as at October 28, 2023           | 99.03              | 59.08                          | 3.70                   | 161.81 |
| Depreciation charge during the period    | 21.11              | 1.17                           | 0.05                   | 22.33  |
| Exchange differences                     | 1.92               | (0.14)                         | (0.06)                 | 1.72   |
| Balance as at March 31, 2024             | 122.06             | 60.11                          | 3.69                   | 185.86 |
| Net carrying amount as at March 31, 2024 | 69.40              | 3.86                           | -                      | 73.26  |

**Note 7: Leases**
**Entity as a lessee**

The entity has entered into various agreements to take premises on rent for official purposes. The agreements are subject to termination, renewal and escalation clauses for lease rentals.

Entity has also entered into leases where the lease term is 12 months or less and it does not have renewal option. Hence, entity has applied 'short-term lease' recognition exemption to these leases.

**(i) Amount recognised in Special Purpose Standalone Balance Sheet**
**a. Right-of-use asset**

| Particulars                    | Premises | Total  |
|--------------------------------|----------|--------|
| Balance as at October 28, 2023 | 1.43     | 1.43   |
| Amortisation for the period    | (1.43)   | (1.43) |
| Balance as at March 31, 2024   | -        | -      |

**b. Lease liabilities**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| Particulars                    | At March 31, 2024 |
|--------------------------------|-------------------|
| Balance as at October 28, 2023 | 1.51              |
| Interest on lease liabilities  | 0.01              |
| Lease payments                 | (1.52)            |
| Exchange differences           | 0.01              |
| Balance as at March 31, 2024   | -                 |

**(ii) Amount recognised in the Special Purpose Standalone Statement of Profit and Loss**

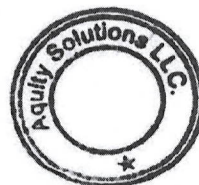
| Particulars                                                        | Notes | For the period<br>October 28, 2023 to<br>March 31, 2024 |
|--------------------------------------------------------------------|-------|---------------------------------------------------------|
| Depreciation charge of right-of-use assets                         | 28    | 1.43                                                    |
| Interest expense (included in finance costs)                       | 27    | 0.01                                                    |
| Expense relating to short-term leases (included in other expenses) | 29    | 1.47                                                    |
| Total                                                              |       | 2.91                                                    |

**(iii) Extension and termination options**

Extension and termination options are included in a number of property leases, where the entity is a lessee. These terms are used to maximise operational flexibility in terms of managing contracts. The entity applies judgement in evaluating whether it is reasonably certain whether or not it exercises the option to extend or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the extension or termination option. Periods after termination options are only included in the lease term if the lease is reasonably certain to be not terminated by the entity. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

**Note 8: Intangible assets**

| Particulars                              | Software and technology | Customer Contracts | Total  | Goodwill |
|------------------------------------------|-------------------------|--------------------|--------|----------|
| Gross carrying amount                    |                         |                    |        |          |
| Balance as at October 28, 2023           | 177.76                  | 45.12              | 222.88 | 1,925.76 |
| Additions                                | 28.96                   | -                  | 28.96  | -        |
| Exchange differences                     | 0.17                    | 0.04               | 0.21   | 3.55     |
| Balance as at March 31, 2024             | 206.89                  | 45.16              | 252.05 | 1,929.31 |
| Accumulated depreciation                 |                         |                    |        |          |
| Balance as at October 28, 2023           | 79.03                   | 8.17               | 87.20  | -        |
| Amortisation charge during the year      | 10.86                   | 3.84               | 14.70  | -        |
| Exchange differences                     | -                       | 0.02               | 0.02   | -        |
| Balance as at March 31, 2024             | 89.89                   | 12.03              | 101.92 | -        |
| Net carrying amount as at March 31, 2024 | 117.00                  | 33.13              | 150.13 | 1,929.31 |



Aquity Solutions, LLC  
Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024  
(Amounts in INR millions, unless otherwise stated)

| Note 9: Other financial assets                           |                      |             |
|----------------------------------------------------------|----------------------|-------------|
| Particulars                                              | As at March 31, 2024 |             |
|                                                          | Current              | Non-current |
| Security deposits                                        | -                    | 0.71        |
| Other receivables - from related parties (Refer note 35) | 3,256.77             | -           |
|                                                          | <u>3,256.77</u>      | <u>0.71</u> |

| Note 10: Non-current tax assets (net) |                      |              |
|---------------------------------------|----------------------|--------------|
| Particulars                           | As at March 31, 2024 |              |
|                                       |                      |              |
| Advance income taxes                  |                      | 28.64        |
|                                       |                      | <u>28.64</u> |

| Note 11: Other assets |                      |             |
|-----------------------|----------------------|-------------|
| Particulars           | As at March 31, 2024 |             |
|                       | Current              | Non-current |
| Prepaid expenses      | 148.27               | -           |
| Others                | 17.42                | -           |
|                       | <u>165.69</u>        | <u>-</u>    |

| Note 12: Inventories |                      |             |
|----------------------|----------------------|-------------|
| Particulars          | As at March 31, 2024 |             |
|                      |                      |             |
| Stock-in-trade       |                      | 7.47        |
|                      |                      | <u>7.47</u> |

| Note 13: Trade receivables                      |                      |                 |
|-------------------------------------------------|----------------------|-----------------|
| Particulars                                     | As at March 31, 2024 |                 |
|                                                 |                      |                 |
| Unsecured considered good                       |                      | 1,977.82        |
| Billed                                          |                      | 1.21            |
| Unbilled                                        |                      | (26.05)         |
| Less-Allowance for expected credit loss         |                      |                 |
|                                                 |                      | <u>1,952.98</u> |
| Total                                           |                      |                 |
| Further classified as:                          |                      |                 |
| Receivable from related parties (Refer note 35) |                      | 21.37           |
| Receivable from non-related party               |                      | 1,931.61        |
| Total                                           |                      | <u>1,952.98</u> |

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Trade Receivables Ageing Schedule

| As at March 31, 2024                           |             |                 |                                                            |                 |             |           |                   |                 |
|------------------------------------------------|-------------|-----------------|------------------------------------------------------------|-----------------|-------------|-----------|-------------------|-----------------|
| Particulars                                    | Unbilled    | Not Due         | Outstanding for following periods from due date of payment |                 |             |           |                   | Total           |
|                                                |             |                 | Less than 6 Months                                         | 6 months 1 year | 1-2 years   | 2-3 years | More than 3 years |                 |
| Undisputed trade receivables                   |             |                 |                                                            |                 |             |           |                   |                 |
| considered good                                | 1.21        | 1,382.84        | 552.27                                                     | 1.38            | -           | -         | -                 | 1,937.70        |
| which have significant increase in credit risk | -           | 2.86            | 5.46                                                       | -               | -           | -         | -                 | 8.32            |
| credit impaired                                | -           | 3.56            | 5.07                                                       | 14.53           | 9.85        | -         | -                 | 33.01           |
| Sub-total                                      | <u>1.21</u> | <u>1,389.26</u> | <u>562.80</u>                                              | <u>15.91</u>    | <u>9.85</u> | <u>-</u>  | <u>-</u>          | <u>1,979.83</u> |
| Less: Allowance for expected credit loss       | -           | -               | (25.02)                                                    | (0.31)          | (0.72)      | -         | -                 | (26.05)         |
| Total                                          | <u>1.21</u> | <u>1,389.26</u> | <u>537.78</u>                                              | <u>15.60</u>    | <u>9.13</u> | <u>-</u>  | <u>-</u>          | <u>1,952.98</u> |

| Note 14: Cash and cash equivalents |                      |               |
|------------------------------------|----------------------|---------------|
| Particulars                        | As at March 31, 2024 |               |
|                                    |                      |               |
| Balances with Banks                |                      | 737.58        |
| Current accounts                   |                      | <u>737.58</u> |

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the year presented:

| As at March 31, 2024      |  |               |
|---------------------------|--|---------------|
| Particulars               |  |               |
| Cash and cash equivalents |  | 737.58        |
| Lease liability           |  | (380.06)      |
| Borrowings                |  | <u>357.52</u> |
| Net debt                  |  |               |

| Particulars                     | Other assets  |                 | Liabilities from financing activities |  | Total         |
|---------------------------------|---------------|-----------------|---------------------------------------|--|---------------|
|                                 | Cash and Bank | Borrowings      | Lease obligation                      |  |               |
| Net debt as at October 28, 2023 | 1,859.56      | (4,895.20)      | (1.50)                                |  | (3,037.14)    |
| Cash flows                      | (1,136.92)    | (380.06)        | 1.51                                  |  | (1,515.47)    |
| Others                          | -             | 4,895.20        | -                                     |  | 4,895.20      |
| Interest expenses               | -             | -               | (0.01)                                |  | (0.01)        |
| Interest paid                   | -             | -               | 0.01                                  |  | 0.01          |
| Foreign exchange adjustment     | 14.94         | -               | (0.01)                                |  | 14.93         |
| Net debt as at March 31, 2024   | <u>737.58</u> | <u>(380.06)</u> | <u>-</u>                              |  | <u>357.52</u> |



**Aquity Solutions, LLC**
**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

**Note 15: Equity Share Capital**

| Particulars                                    | As at<br>March 31, 2024 |
|------------------------------------------------|-------------------------|
| <b>Authorised:</b>                             |                         |
| NA                                             | 1,229.85                |
|                                                | <u>1,229.85</u>         |
| <b>Issued, subscribed and paid-up capital:</b> |                         |
| NA                                             | 1,229.85                |
|                                                | <u>1,229.85</u>         |

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

| Particulars                                            | As at March 31, 2024 |                 |
|--------------------------------------------------------|----------------------|-----------------|
|                                                        | Number of shares     | Amount          |
| Outstanding at the beginning and the end of the period | NA                   | 1,229.85        |
| Issued during the period                               | -                    | -               |
| Outstanding at the end of the period                   | -                    | <u>1,229.85</u> |

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

The entity does not have any shares as it is an LLC. 100% of the Member's interest is with Aquity Holding Inc.

**(C) Details of shares held by the holding entity, the ultimate holding entity, their subsidiaries and associates:**

| Particulars                            | As at<br>March 31, 2024 |
|----------------------------------------|-------------------------|
| Aquity Holdings, Inc. (Holding entity) | 100%                    |
|                                        | <u>1</u>                |

**(D) Details of equity shares held by shareholders holding more than 5% of the aggregate equity shares in the entity**

| Name of the shareholders                    | As at March 31, 2024 |                |
|---------------------------------------------|----------------------|----------------|
|                                             | Number of shares     | % holding      |
| Aquity Holdings, Inc. (Holding entity)      | 1                    | 100.00%        |
| (Equity shares of USD 0.01 each fully paid) | <u>1</u>             | <u>100.00%</u> |

**(E) Details of shares held by promoters at the end of the period**

| Promoter name                          | As at March 31, 2024 |                |                            |
|----------------------------------------|----------------------|----------------|----------------------------|
|                                        | Number of shares     | % holding      | % change during the period |
| Aquity Holdings, Inc. (Holding entity) | 1                    | 100.00%        | -                          |
|                                        | <u>1</u>             | <u>100.00%</u> | <u>-</u>                   |

**Note 16: Other equity (Refer Special Purpose Statement of Changes in Equity)**

a) **Retained earnings:** Retained earnings are the profits that the entity has earned till date, less any transfers to general reserve if any, dividend or other distributions paid to shareholders.

b) **Contribution from holding Entity:** Represents contribution received from ultimate holding entity.

c) **Foreign currency translation reserve:** The exchange differences arising from the translation of financial information of the entity whose functional currency is other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.



Aquity Solutions, LLC  
Notes forming part of the Special Purpose Standalone Financial information for the period ended March 31, 2024  
(Amounts in INR millions, unless otherwise stated)

Note 17: Borrowings

| Particulars                               | As at<br>March 31, 2024 |
|-------------------------------------------|-------------------------|
| Current borrowings                        |                         |
| Unsecured                                 | 380.06                  |
| Loan from related parties (Refer note 35) |                         |
|                                           | <u>380.06</u>           |

Note 18: Provisions

| Particulars                                        | As at March 31, 2024 |             |
|----------------------------------------------------|----------------------|-------------|
|                                                    | Current              | Non-current |
| Provision for compensated absences (refer note 31) | 81.82                | -           |
| Provision for sales and use tax                    | 77.98                | -           |
|                                                    | <u>159.80</u>        | <u>-</u>    |

Movements in provisions

Movements in each class of provision during the period are set out below:

| Particulars                  | Provision for<br>Compensated<br>absences | Provision for<br>Sales and use<br>tax | Total         |
|------------------------------|------------------------------------------|---------------------------------------|---------------|
| As at October 28, 2023       | 121.90                                   | 77.84                                 | 199.74        |
| Amounts used during the year | (40.19)                                  | -                                     | (40.19)       |
| Translation differences      | 0.11                                     | 0.14                                  | 0.25          |
| As at March 31, 2024         | <u>81.82</u>                             | <u>77.98</u>                          | <u>159.80</u> |

Note 19: Other non-current financial liabilities

| Particulars              | As at<br>March 31, 2024 |
|--------------------------|-------------------------|
| Contingent consideration | 66.17                   |
|                          | <u>66.17</u>            |

Note 20: Trade payables

| Particulars                                                               | As at<br>March 31, 2024 |
|---------------------------------------------------------------------------|-------------------------|
| Total outstanding dues other than micro enterprises and small enterprises | 222.64                  |
|                                                                           | <u>222.64</u>           |
| Further classified as:                                                    |                         |
| Payable to related parties (Refer note 35)                                | 55.20                   |
| Payable to non-related parties                                            | 167.44                  |
| Total                                                                     | <u>222.64</u>           |

Trade payables ageing schedule

| Particulars               | Unbilled     | Not due      | Outstanding for following periods from due date of payment |           |           |                      | Total         |
|---------------------------|--------------|--------------|------------------------------------------------------------|-----------|-----------|----------------------|---------------|
|                           |              |              | Less than a<br>year                                        | 1-2 years | 2-3 years | More than 3<br>years |               |
| Undisputed trade payables |              |              |                                                            |           |           |                      | 222.64        |
| Others                    | 33.81        | 53.34        | 135.49                                                     | -         | -         | -                    | 222.64        |
|                           | <u>33.81</u> | <u>53.34</u> | <u>135.49</u>                                              | <u>-</u>  | <u>-</u>  | <u>-</u>             | <u>222.64</u> |

Note 21: Other current financial liabilities

| Particulars                                         | As at<br>March 31, 2024 |
|-----------------------------------------------------|-------------------------|
| Contingent consideration                            | 157.98                  |
| Other payables - to related parties (Refer note 35) | 1,771.35                |
|                                                     | <u>1,929.33</u>         |

Note 22: Current tax liabilities

| Particulars      | As at<br>March 31, 2024 |
|------------------|-------------------------|
| Current taxation | 18.34                   |
|                  | <u>18.34</u>            |

Note 23: Other current liabilities

| Particulars              | As at<br>March 31, 2024 |
|--------------------------|-------------------------|
| Employee benefit payable | 251.74                  |
| Statutory tax payable    | 81.37                   |
|                          | <u>333.11</u>           |



**Aquity Solutions, LLC**  
**Notes forming part of the Specie: Purcose Standalone Financial Information for the period ended March 31, 2024**  
**(Amounts in INR millions, unless otherwise stated)**

| <b>Note 24: Revenue from Operations</b> |                                                                  |
|-----------------------------------------|------------------------------------------------------------------|
| <b>Particulars</b>                      | <b>For the period<br/>October 28, 2023 to<br/>March 31, 2024</b> |
| Revenue from contracts with customers   |                                                                  |
| Sale of services                        | 5,068.15                                                         |
| Sale of products                        | 0.25                                                             |
| Other operating revenue                 | 80.05                                                            |
|                                         | <u>5,148.45</u>                                                  |

Refer note 38 for disaggregation of revenue and reconciliation of revenue recognised with contract price.

| <b>Note 25: Other income</b>                     |                                                                  |
|--------------------------------------------------|------------------------------------------------------------------|
| <b>Particulars</b>                               | <b>For the period<br/>October 28, 2023 to<br/>March 31, 2024</b> |
| Interest income                                  | 1.93                                                             |
| Change in fair value of contingent consideration | 72.82                                                            |
| Insurance                                        | 11.79                                                            |
| Foreign exchange gain (net)                      | 0.12                                                             |
|                                                  | <u>86.66</u>                                                     |

| <b>Note 26: Employee benefit expenses</b>    |                                                                  |
|----------------------------------------------|------------------------------------------------------------------|
| <b>Particulars</b>                           | <b>For the period<br/>October 28, 2023 to<br/>March 31, 2024</b> |
| Salaries, allowances and bonus               | 2,066.57                                                         |
| Compensated absences expense (refer note 31) | 92.48                                                            |
| Share based compensation expenses            | 11.56                                                            |
| Staff welfare expenses                       | 224.15                                                           |
|                                              | <u>2,394.76</u>                                                  |

| <b>Note 27: Finance cost</b>  |                                                                  |
|-------------------------------|------------------------------------------------------------------|
| <b>Particulars</b>            | <b>For the period<br/>October 28, 2023 to<br/>March 31, 2024</b> |
| Interest on lease liabilities | 0.01                                                             |
| Other borrowing costs         | 0.47                                                             |
|                               | <u>0.48</u>                                                      |

| <b>Note 28: Depreciation and amortisation expenses</b> |                                                                  |
|--------------------------------------------------------|------------------------------------------------------------------|
| <b>Particulars</b>                                     | <b>For the period<br/>October 28, 2023 to<br/>March 31, 2024</b> |
| Depreciation on property, plant and equipment          | 22.33                                                            |
| Amortisation on right-of-use assets                    | 1.43                                                             |
| Amortisation of intangible assets                      | 14.70                                                            |
|                                                        | <u>38.46</u>                                                     |

| <b>Note 29: Other expenses</b>                |                                                                  |
|-----------------------------------------------|------------------------------------------------------------------|
| <b>Particulars</b>                            | <b>For the period<br/>October 28, 2023 to<br/>March 31, 2024</b> |
| Rent                                          | 1.47                                                             |
| Repair and maintenance                        | 0.47                                                             |
| Contract labour charges                       | 249.73                                                           |
| Software licence fees                         | 137.22                                                           |
| Purchased services                            | 168.99                                                           |
| Transcription Expenses                        | 1,527.47                                                         |
| Travelling and transportation                 | 14.35                                                            |
| Legal and professional fees                   | 17.88                                                            |
| Bank charges                                  | 3.67                                                             |
| Communication                                 | 15.44                                                            |
| Marketing and business promotion              | 23.54                                                            |
| Printing & Stationery                         | 1.72                                                             |
| Recruitment and training                      | 0.77                                                             |
| Payment to auditors (Refer note 29 (a) below) | 10.60                                                            |
| Loss allowance on trade receivables           | 0.81                                                             |
| Rates and taxes                               | 7.01                                                             |
| Other expenses                                | 14.52                                                            |
|                                               | <u>2,195.66</u>                                                  |

| <b>Note 29 (a): Details of payment to auditors</b> |                                                                  |
|----------------------------------------------------|------------------------------------------------------------------|
| <b>Particulars</b>                                 | <b>For the period<br/>October 28, 2023 to<br/>March 31, 2024</b> |
| As Auditor                                         |                                                                  |
| Audit fees                                         | 5.68                                                             |
| In other capacities                                |                                                                  |
| Tax and consulting fees                            | 4.92                                                             |
| <b>Total</b>                                       | <u><b>10.60</b></u>                                              |



Aquity Solutions, LLC

Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024

(Amounts in INR millions, unless otherwise stated)

**Note 30: Income tax expense**

This note provides an analysis of the entity's income tax expense, and amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items.

**(A) Amount recognised in the Special Purpose Standalone Statement of Profit and Loss**

| Particulars                 | For the period<br>October 28, 2023 to<br>March 31, 2024 |
|-----------------------------|---------------------------------------------------------|
| <b>Current tax</b>          |                                                         |
| Income tax for the period   | 48.72                                                   |
| <b>Total current tax</b>    | <b>48.72</b>                                            |
| <b>Deferred tax charge</b>  |                                                         |
| Deferred tax for the period | 127.46                                                  |
| <b>Total deferred tax</b>   | <b>127.46</b>                                           |
|                             | <b>176.18</b>                                           |

**(B) Reconciliation of tax expense**

Income tax expense for the period varied from the amount computed by applying the statutory income tax rate to profit before income taxes. The reconciliation of the expected U.S. federal income tax expense calculated by applying the federal statutory tax rate in the entity's actual income tax expense and the effective tax rates are presented below:

| Particulars                                                      | For the period<br>October 28, 2023 to<br>March 31, 2024 |
|------------------------------------------------------------------|---------------------------------------------------------|
| Profit before income tax                                         | 598.61                                                  |
| Federal statutory tax rate                                       | 21.00%                                                  |
| Tax on Accounting Profit (I)                                     | 125.71                                                  |
| <b>Adjustments:</b>                                              |                                                         |
| State Tax and Rate Differences                                   | 55.57                                                   |
| Permanent items                                                  | 0.62                                                    |
| Others                                                           | (5.72)                                                  |
| <b>Total effect of tax adjustments (II)</b>                      | <b>50.47</b>                                            |
| <b>Tax expense recognised during the period (III) = (I + II)</b> | <b>176.18</b>                                           |
| <b>Effective tax rate (III/I)</b>                                | <b>29.43%</b>                                           |

**(C) Movement in deferred tax balances**

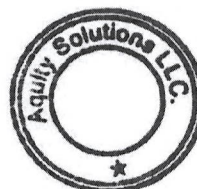
| Particulars                                  | As at<br>October 28, 2023 | Movement during the year        |                      |             |                            | As at<br>March 31, 2024 |
|----------------------------------------------|---------------------------|---------------------------------|----------------------|-------------|----------------------------|-------------------------|
|                                              |                           | Recognised in Profit or<br>Loss | Recognised<br>in OCI | Others      | Translation<br>differences |                         |
| Depreciation on property plant and equipment | (18.95)                   | 3.17                            | -                    | -           | (0.02)                     | (15.80)                 |
| Employee benefit obligation                  | -                         | 6.51                            | -                    | -           | 0.02                       | 6.53                    |
| Restructuring Charges                        | 30.33                     | (17.62)                         | -                    | -           | 0.01                       | 12.72                   |
| Accrued Bonus                                | 108.61                    | (104.86)                        | -                    | -           | (0.11)                     | 3.64                    |
| Other Compensation-based Accruals            | (108.61)                  | 105.17                          | -                    | -           | 0.10                       | (3.34)                  |
| Intangible assets                            | 52.69                     | (27.47)                         | -                    | -           | 0.02                       | 25.24                   |
| Accrued expenses                             | 63.12                     | (42.18)                         | -                    | 0.37        | (0.01)                     | 21.30                   |
| Loss allowance on trade receivables          | 8.29                      | (1.80)                          | -                    | -           | 0.01                       | 6.50                    |
| Deferred revenue                             | 2.88                      | 0.05                            | -                    | -           | -                          | 2.93                    |
| Share based payment                          | -                         | 3.07                            | -                    | -           | -                          | 3.07                    |
| Excess business interest                     | 193.19                    | -                               | -                    | -           | 0.35                       | 193.54                  |
| Net operating losses                         | 360.49                    | (108.34)                        | -                    | -           | 0.35                       | 252.50                  |
| Stated interest/ deferred financing costs    | (35.56)                   | 35.53                           | -                    | -           | 0.03                       | (0.00)                  |
| Prepaid expenses                             | 18.33                     | 21.32                           | -                    | -           | 0.09                       | 39.74                   |
| Lease liabilities                            | 0.38                      | (0.37)                          | -                    | -           | (0.01)                     | -                       |
| Right-of-use assets                          | (0.36)                    | 0.36                            | -                    | -           | -                          | -                       |
| <b>Net deferred tax assets/(liabilities)</b> | <b>674.83</b>             | <b>(127.46)</b>                 | <b>-</b>             | <b>0.37</b> | <b>0.83</b>                | <b>548.57</b>           |

**Movements in deferred tax balances**

| Particulars                                   | As at<br>March 31, 2024 |
|-----------------------------------------------|-------------------------|
| Opening balance of deferred tax assets        | 674.83                  |
| PL credit/ (charge)                           | (127.46)                |
| Other                                         | 0.37                    |
| Foreign currency translation difference       | 0.83                    |
| <b>Closing balance of deferred tax assets</b> | <b>548.57</b>           |

**Movements in Current tax balances**

| Particulars                           | As at<br>March 31, 2024 |
|---------------------------------------|-------------------------|
| Opening Balances                      | 56.25                   |
| Add: Current tax payable for the year | (48.72)                 |
| Less: Taxes paid                      | 2.77                    |
| <b>Closing balance</b>                | <b>10.30</b>            |



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

**Note 31: Employee benefits**

**(A) Defined contribution plan**

***Aquity Solutions, LLC – 401(k) plan***

We maintain a tax-qualified retirement plan named the Aquity Solutions LLC 401(k) Plan ("401(k) Plan") that provides eligible employees with an opportunity to save for retirement on a tax advantaged basis. Entity match is discretionary and did not occur during the period from October 28, 2023 to March 31, 2024 therefore no expense was recognized in the accompanying Special Purpose Standalone Statement of Profit and Loss.

**(B) Leave obligations (Non-funded)**

As per the entity's policy, employees are entitled for compensated absences which are accumulating and short term in nature. The entity's liability towards accumulated compensated absences closing balances at the year end is determined based on past trend of utilisation/ encashment.

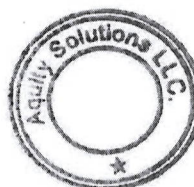
Following amounts are recognised in respect of unfunded obligation towards compensated leave absences-

**(i) Amount recognised in the Special Purpose Standalone Balance Sheet**

| Particulars     | As at<br>March 31, 2024 |
|-----------------|-------------------------|
| Current portion | 81.82                   |

**(ii) Expense recognised in the Special Purpose Standalone Statement of Profit and Loss**

| Particulars                                                                              | For the period<br>October 28, 2023 to<br>March 31, 2024 |
|------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Amount recognised in employee benefit expenses in respect of compensated leave liability | 92.48                                                   |



**Aquity Solutions, LLC****Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

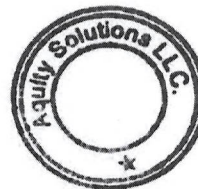
**Note 32: Share-based payments**

The entity's ultimate parent, Inventurus Knowledge Solutions Limited, ("IKS") sponsors an employee stock option plan ("ESOP") whereby stock options may be awarded by IKS to its employees. Stock options awarded under the ESOP vest in four tranches: 10%, 15%, 25%, and 50% on each of the first four anniversaries from the grant date. Vested stock options may be exercised (i) at the discretion of the recipient in part or whole once in a fiscal year commencing ninety days from the vesting date or (ii) in whole at the discretion of the recipient before any corporate event that offers an exit opportunity to shareholders of IKS, whichever is earlier. Upon exercise, the stock options are converted into equity shares of IKS.

IKS records stock-based compensation expense for the awards issued based on the fair value of the awards at the date of issuance, and recognizes the expense over the vesting period. The fair value of the awards issued is based on a valuation performed by a third-party valuation firm. During the period October 28, 2023 to March 31, 2024, IKS issued 0.4 million options to employees of the entity.

The expense recognised for employee services received during the year is shown in the following table:

| Particulars                                                                  | For the period<br>October 28, 2023 to<br>March 31, 2024 |
|------------------------------------------------------------------------------|---------------------------------------------------------|
| Allocation of share based compensation expenses from ultimate holding entity | 11.56                                                   |
|                                                                              | 11.56                                                   |



**Aquity Solutions, LLC****Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

**Note 33: Earning per share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

| Particulars                                          | For the period                        |
|------------------------------------------------------|---------------------------------------|
|                                                      | October 28, 2023 to<br>March 31, 2024 |
| Profit attributable to equity holders (INR millions) | 422.43                                |
| Weighted average number of equity shares             | -                                     |
| Earnings per share (Face value Rs. 10 per share)     |                                       |
| Basic                                                | NA                                    |
| Diluted                                              | NA                                    |

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial information.

**Note 34: Commitments and contingent liabilities**

From time to time, the entity is involved in litigation, claims, contingencies and other legal matters. The entity record a charge equal to at least the minimum estimated liability for a loss contingency when both of the following conditions are met: (i) information available indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements and (ii) the range of the loss can be reasonably estimated. The entity expense legal costs, including those legal costs expected to be incurred in connection with a loss contingency, as incurred.



**Aquity Solutions, I.L.C.**
**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**
**(Amounts in INR millions, unless otherwise stated)**
**Note 35: Related party disclosures**
**(A) Names of related parties and description of relationship as identified by the entity**

| Name of Entity                                                   | Relationship                      |
|------------------------------------------------------------------|-----------------------------------|
| Inventurus Knowledge Solutions Limited (w.e.f. October 28, 2023) | Ultimate Holding entity           |
| Aquity Holdings Inc                                              | Holding entity                    |
| Aquity Solutions India Private Limited                           | Fellow Subsidiary                 |
| Aquity Solutions Australia Pty Limited                           | Fellow Subsidiary                 |
| Aquity Canada ULC                                                | Fellow Subsidiary                 |
| Inventurus Knowledge Solutions Inc (w.e.f. October 28, 2023)     | Holding entity of ultimate parent |

| Key Management Personnel (KMP) | Relationship                         |
|--------------------------------|--------------------------------------|
| Kashyap Joshi                  | CDO                                  |
| Jason Kolonoski                | COO                                  |
| Jack Senechal                  | Internal Counsel/Corporate Secretary |
| Mike Paoletti                  | VP Human Resources                   |

**(B) Compensation of key management personnel of the entity**

| Particulars                  | For the period<br>October 28, 2023 to March<br>31, 2024 |
|------------------------------|---------------------------------------------------------|
| Short-term employee benefits | 456.18                                                  |
| Termination benefits         | 10.40                                                   |

**Directors' interests in the Share-based payment plan**

No share options are given to directors of the entity.

**(C) Related party transactions during the year**

| Particulars                                                                         | For the period<br>October 28, 2023 to March<br>31, 2024 |
|-------------------------------------------------------------------------------------|---------------------------------------------------------|
| <b>Provision of services from</b>                                                   |                                                         |
| Aquity Solutions India Private Limited                                              | 1,259.20                                                |
| Aquity Canada ULC                                                                   | 268.35                                                  |
| <b>Provision of services to</b>                                                     |                                                         |
| Aquity Canada ULC                                                                   | 12.08                                                   |
| Aquity Solutions Australia Pty Limited                                              | 75.34                                                   |
| <b>Debt repayments to related parties</b>                                           |                                                         |
| Erstwhile shareholders                                                              | 4,895.20                                                |
| Inventurus Knowledge Solutions Inc.                                                 | 36.97                                                   |
| <b>Allocation of share based compensation expenses from ultimate holding entity</b> |                                                         |
| Inventurus Knowledge Solutions Limited                                              | 11.56                                                   |
| <b>Loan taken from:</b>                                                             |                                                         |
| Inventurus Knowledge Solutions Inc.                                                 | 417.03                                                  |
| <b>Contribution from holding entity</b>                                             |                                                         |
| Inventurus Knowledge Solutions Inc.                                                 | 4,120.59                                                |

**(D) Outstanding balances as at year end**

| Particulars                            | As at<br>March 31, 2024 |
|----------------------------------------|-------------------------|
| <b>Trade receivables</b>               |                         |
| Aquity Canada ULC                      | 3.48                    |
| Aquity Solutions Australia Pty Limited | 17.89                   |
| <b>Trade payables</b>                  |                         |
| Aquity Canada ULC                      | 55.20                   |
| <b>Payable against loan received</b>   |                         |
| Inventurus Knowledge Solutions Inc.    | 380.06                  |
| <b>Other receivables</b>               |                         |
| Aquity Solutions Australia Pty Limited | 1.85                    |
| Aquity Holdings Inc                    | 3,254.92                |
| <b>Other payables</b>                  |                         |
| Aquity Canada ULC                      | 9.16                    |
| Aquity Solutions India Private Limited | 1,762.19                |



**Aquity Solutions, LLC****Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

**Note 36: Capital management**

For the purpose of capital management, capital includes issued equity capital, securities premium, and all other equity reserves attributable to the equity holders. The primary objective of capital management is to maximize shareholder value.

The entity manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants. To maintain or adjust the capital structure, the entity may adjust dividend payments to shareholders, return capital to shareholders, or issue new shares. The entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The entity includes within net debt loans and borrowings, less cash and cash equivalents.

| Particulars                                       | As at          |          |
|---------------------------------------------------|----------------|----------|
|                                                   | March 31, 2024 |          |
| Debt                                              | A              | 380.06   |
| Cash and cash equivalents and other bank balances | B              | 737.58   |
| Net debt                                          | C=A-B          | (357.52) |
| Total equity                                      | D              | 5,729.91 |
| Net debt to equity ratio                          | E=C/D          | (0.06)   |



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

**Note 37: Financial risk management objectives and policies**

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

**(A) Liquidity Risk**

The Board of Directors are responsible for liquidity and settlement management of the funds raised. In addition, processes and policies related to such risks are overseen by Board of Directors. The Board of Directors monitors the entity's net liquidity position through forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments:

| As at March 31, 2024     | On demand     | Within 1 year | 1 to 5 years | More than 5 years | Total         |
|--------------------------|---------------|---------------|--------------|-------------------|---------------|
| Borrowings               | 380.06        | -             | -            | -                 | 380.06        |
| Contingent consideration | -             | 175.37        | 66.17        | -                 | 241.54        |
| Trade payables           | -             | 222.64        | -            | -                 | 222.64        |
| <b>Total</b>             | <b>380.06</b> | <b>398.01</b> | <b>66.17</b> | <b>-</b>          | <b>844.24</b> |

**(B) Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The entity translate the assets and liabilities using the closing exchange rates. It translate revenues and expenses using the average exchange rates prevailing during the reporting period. The resulting translation adjustments are recorded in other comprehensive income within equity. Net gains (losses) from foreign currency transactions are included as a component of other income in the accompanying Special Purpose Standalone Statement of Profit and Loss.

**Foreign currency risk exposure:**

| Particulars       | Currency  | Amount in foreign currency |
|-------------------|-----------|----------------------------|
|                   |           | As at March 31, 2024       |
| Trade payables    | US Dollar | 2.67                       |
| Trade receivables | US Dollar | 23.42                      |

| Particulars       | Currency  | Equivalent amount in INR |
|-------------------|-----------|--------------------------|
|                   |           | As at March 31, 2024     |
| Trade payables    | US Dollar | 222.64                   |
| Trade receivables | US Dollar | 1,952.98                 |

**Sensitivity analysis:**

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar, with all other variables held constant. The below impact on the entity's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities as at balance sheet date.

| Particulars                                | Impact on Profit after tax |           |
|--------------------------------------------|----------------------------|-----------|
|                                            | Strengthening              | Weakening |
| As at March 31, 2024<br>USD (10% movement) | 173.03                     | (173.03)  |

**(C) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The entity assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Financial instruments that potentially subject the entity to concentration of credit risk consist primarily of trade receivables. The entity has one source that accounted for approximately 8% of revenue for the period ended March 31, 2024. This source also accounted for approximately 12% of accounts receivable at March 31, 2024. Although the entity has not experienced credit losses from this source, the inability of this source to pay would have a material impact on the financial condition of the entity.

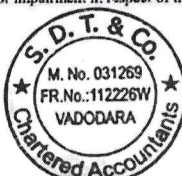
**Trade receivables (including contract assets)**

The entity applies the Ind AS 109 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for trade receivables. The application of simplified approach does not require the entity to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The entity's trade receivable are generally having credit period from 30 to 60 days and historically, majority of trade receivables are recovered subsequently.

The entity uses a provision matrix to measure the ECLs of trade receivables. The provision matrix is initially based on the entity's historical observed default rates. The entity will calibrate the matrix to adjust the historical credit loss experience with forward looking information. Based on evaluation carried out and to the best estimate of management, historical loss sufficiently covers expected loss as well as future contingencies and adjustment for forward looking factors are not considered significant, hence no adjustment for forward looking factors is carried.

The movement in the allowance for impairment in respect of trade receivables during the year was as follow:



**Aquity Solutions, LLC**
**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

| Particulars                    | As at<br>March 31, 2024 |
|--------------------------------|-------------------------|
| Opening provision              | 33.21                   |
| Add: Additional provision made | 0.69                    |
| Less: Provision write off      | (7.90)                  |
| Translation differences        | 0.05                    |
| Closing provision              | 26.05                   |

Summary of the entity's exposure to credit risk by age of the outstanding net of provision from customers is as follows:

| Particulars                                              | As at<br>March 31, 2024 |
|----------------------------------------------------------|-------------------------|
| Neither past due nor impaired                            | 1,390.47                |
| Past due not impaired                                    |                         |
| - 1-180 days                                             | 537.78                  |
| - 181-365 days                                           | 15.60                   |
| - more than 365 days                                     | 9.13                    |
| Carrying amount of trade receivables (net of impairment) | 1,952.98                |

**Cash & cash equivalents and other bank balances**

The entity considers all highly liquid instruments with original maturities of three months or less to be cash equivalents. The entity's cash management and investment policies dictate that cash equivalents be limited to investment grade, highly liquid securities. The entity places its temporary cash investments with high-credit rated, quality financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Consequently, the entity's cash equivalents are subject to potential credit risk. The carrying value of cash and cash equivalents approximates fair value.

**Other financial assets**

Other financial assets are neither past due nor impaired.

The entity is also subject to risk of healthcare sector and geographic concentration as the entire business operation is in the United states.

**Note 37A: Fair Values Of Financial Assets And Financial Liabilities**
**(i) Financial instruments by category**

The carrying amounts of each of the categories of financial instruments as at March 31, 2024 are as follows:

| Particulars                  | Note No. | FVTPL | Amortised cost | FVTOCI | Total    |
|------------------------------|----------|-------|----------------|--------|----------|
| <b>Financial assets</b>      |          |       |                |        |          |
| Trade receivables            | 13       | -     | 1,952.98       | -      | 1,952.98 |
| Cash and cash equivalents    | 14       | -     | 737.58         | -      | 737.58   |
| Other financial assets       | 9        | -     | 3,257.48       | -      | 3,257.48 |
|                              |          | -     | 5,948.04       | -      | 5,948.04 |
| <b>Financial Liabilities</b> |          |       |                |        |          |
| Borrowings                   | 17       | -     | 380.06         | -      | 380.06   |
| Trade payables               | 20       | -     | 222.64         | -      | 222.64   |
| Other financial liabilities  | 19, 21   | -     | 1,995.50       | -      | 1,995.50 |
|                              |          | -     | 2,598.20       | -      | 2,598.20 |

**(ii) Fair value measurement hierarchy**

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

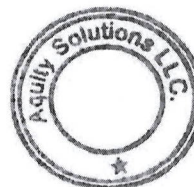
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair values of financial assets and financial liabilities measured at fair value, including their levels in the fair value hierarchy, are presented below:

| Particulars                                  | Level 1 | Level 2 | Level 3 | Total  |
|----------------------------------------------|---------|---------|---------|--------|
| As at March 31, 2024                         |         |         |         |        |
| Financial liabilities measured at fair value |         |         |         |        |
| Contingent consideration                     | -       | -       | 241.54  | 241.54 |

The fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables, and current financial liabilities approximate their carrying amount largely due to short term nature of these instruments.



**Aquity Solutions, LLC**  
**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**  
(Amounts in INR millions, unless otherwise stated)

**Note 38: Revenue information**

**(A) Disaggregated revenue information**

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

| Particulars                                        | For the period<br>October 28, 2023 to<br>March 31, 2024 |
|----------------------------------------------------|---------------------------------------------------------|
| <b>Type of goods or services</b>                   |                                                         |
| Sale of services                                   | 5,068.15                                                |
| Sale of products                                   | 0.25                                                    |
| Other operating revenue                            | 80.05                                                   |
| <b>Total revenue from contracts with customers</b> | <b>5,148.45</b>                                         |
| <b>Geographical markets</b>                        |                                                         |
| Outside India                                      | 5,148.45                                                |
| <b>Total revenue from contracts with customers</b> | <b>5,148.45</b>                                         |
| <b>Timing of revenue recognition</b>               |                                                         |
| Goods or Services transferred over time            | 80.05                                                   |
| Goods or services transferred at a point in time   | 5,068.40                                                |
| <b>Total revenue from contracts with customers</b> | <b>5,148.45</b>                                         |

**(B) Contract balances**

(i) The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

| Particulars          | As at<br>March 31, 2024 |
|----------------------|-------------------------|
| Trade Receivables    | 1,952.98                |
| Contract liabilities | 11.75                   |

Trade receivables are recorded at the invoiced amount, are non-interest bearing and are generally on terms of 30 to 60 days. The carrying value of trade receivable approximates fair value.

As at March 31, 2024 INR 26.05 mn (USD 0.31 million) was recognised as provision for expected credit losses on trade receivables and contract assets.

The management continuously monitors the credit exposure towards the customers outstanding at the end of each reporting period to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro-economic indicators affecting customers of the entity have not undergone any substantial change, the entity expects the historical trend of minimal credit losses to continue.

Contract liabilities include implementation billed in advance of completing implementation work for transcription and scribe services.

(ii) Significant changes in the contract liabilities during the period are as follows:

| Particulars                               | As at<br>March 31, 2024 |
|-------------------------------------------|-------------------------|
| Balance as on 28 October 2023             | 11.54                   |
| Revenue deferred during the period        | 9.57                    |
| Revenue recognised during the period      | (9.38)                  |
| Translation differences                   | 0.02                    |
| <b>At the end of the reporting period</b> | <b>11.75</b>            |

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

| Particulars                                 | For the period<br>October 28, 2023 to<br>March 31, 2024 |
|---------------------------------------------|---------------------------------------------------------|
| Revenue as per contracted price             | 5,206.32                                                |
| <b>Adjustments</b>                          |                                                         |
| Sales return                                | (57.87)                                                 |
| <b>Revenue from contract with customers</b> | <b>5,148.45</b>                                         |

**(D) Performance obligations**

Information about the entity's performance obligations are summarised below:

The entity accounts for a contract with a customer when there is a legally enforceable contract, the rights of the parties are identified, the contract has commercial substance, and collectability of the contract consideration is probable. The entity has determined that it has separate and distinct performance obligations pertaining to our technology enabled medical transcription and editing services, coding services, and scribe services. Some contracts may include additional performance obligations such as hardware or implementation services. Revenue is recognized when performance obligations under the terms of a contract with a customer are satisfied; generally, this occurs when services are rendered, or when the tangible products are provided. The entity records a receivable when revenue is recognized, at the time of invoicing.

As per practical expedient provided in Ind AS 115.121, entity has decided not to disclose the amount of the remaining performance obligations for contracts with original expected duration of one year or less.



**Aquity Solutions, LLC**

Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024  
(Amounts in INR millions, unless otherwise stated)

**Note 39: Segment information**

The entity operates in one reportable business segment i.e. it is principally engaged in the provision of coding and scribe services and delivering medical transcriptions.

**(A) Geographic information:**

## Revenue

| Particulars                  | For the period<br>October 28, 2023 to<br>March 31, 2024 |
|------------------------------|---------------------------------------------------------|
| <u>All foreign countries</u> |                                                         |
| United States                | 5,136.73                                                |
| United Kingdom               | 11.72                                                   |
| <b>Total</b>                 | <b>5,148.45</b>                                         |

**(B) Major customer**

| Particulars                                                                                                      | For the period<br>October 28, 2023 to<br>March 31, 2024 |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Number of customers individually contributing towards revenue more than 10% of the entity's total revenue        | 1                                                       |
| Revenue from the customers individually contributing towards revenue more than 10% of the entity's total revenue | 533.98                                                  |

**(C) The total of non-current assets other than financial instruments and deferred tax assets broken down by location of the assets is shown below:**

| Particulars                  | As at<br>March 31, 2024 |
|------------------------------|-------------------------|
| <u>All foreign countries</u> |                         |
| United States                | 2,181.34                |
| <b>Total</b>                 | <b>2,181.34</b>         |



**Aquity Solutions, LLC**

**Notes forming part of the Special Purpose Standalone Financial Information for the period ended March 31, 2024**

(Amounts in INR millions, unless otherwise stated)

**Note 40: Subsequent events**

The Company evaluated subsequent events through August 7, 2024 which is the date the financial statements were issued or available to be issued.

On April 21, 2024, the entity transferred INR 959.23 million (\$11.5 million) to IKS. This payment relieved the due to related party balance of INR 380.06 million (\$4.557 million) in note 17 and created a due from related party balance of INR 579.12 million (\$6.943 million). These due to and due from related party balances were not subject to interest. On June 3, 2024 the entity received a partial repayment from IKS in the amount of INR 290.73 million (\$3.5 million) that decreased this due from related party balance. Additionally, on July 22, 2024 the entity transferred an additional INR 577.29 million (\$6.9 million) to IKS which created an additional due from related party balance.

On April 28, 2024, the entity signed a voluntary disclosure agreement with the state of Texas related to sales and use tax. Texas accepted and counter signed the agreement on June 6, 2024. An estimated liability has been accrued in current provisions in the Special Purpose Standalone Balance Sheet related to this agreement. The final calculation and payment must be submitted to the state of Texas within 60 days of their countersignature.

As per our report of even date

For S D T & Co  
Chartered Accountants  
(Firm Registration No: 112226W)

(Partner)  
Membership No: 031269  
Place : Vadodara, India  
Date: August 7, 2024  
UDIN:24031269BKDOZQ2932



For and on behalf of the Board of Directors of  
Aquity Solutions, LLC

Authorized signatory

Place : Mumbai  
Date: August 7, 2024

