

## **INDEPENDENT AUDITOR'S REPORT**

To the members of Inspirisys Solutions DMCC, UAE

We have audited the attached Ind As financial statement of Inspirisys Solutions DMCC, UAE (hereinafter referred to as the "Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2020 and the statement of Profit and Loss (including other comprehensive income), statement of cash flows and the statement of changes in Equity for the year ended and a summary of significant accounting policies and other explanatory statements. These financial statements have been prepared by the Company's management as per Ind AS Principles adopted in India for the purpose of consolidating the company's financials with that of the holding company.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs and results of operations of the company in accordance with the Ind AS adopted in India; this includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair views and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by the ICAI. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design the audit procedure that are appropriate the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluation the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanation given to us, the financial statements give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March 2020, and of its results of operations for the year then ended in accordance with Generally Accepted Accounting Principles adopted in India.

For S K Ram Associates  
Chartered Accountants  
ICAI Firm Registration Number: 2842S

Sd / -

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**R. Balaji**  
Membership Number: 202916  
Place of Signature: Chennai  
Date: 31<sup>st</sup> May 2020

INSPIRISYS SOLUTIONS DMCC, UAE (Formerly Accel Frontline DMCC)

**Audited Balance sheet as at 31st Mar 2020**

(All amounts in AED lakhs, unless otherwise stated)

|                               | Notes | As at Mar 31, 2020 | As at Mar 31, 2019 |
|-------------------------------|-------|--------------------|--------------------|
| <b>Assets</b>                 |       |                    |                    |
| <b>Non-current assets</b>     |       |                    |                    |
| Property, plant and equipment | 2.0   | 1.01               | 1.34               |
| Intangible assets             | 2.0   | 0.19               | 0.00               |
| - Other financial assets      | 2.1   | 1.69               | 0.82               |
| Other non-current assets      | 2.2   | 6.49               | 1.29               |
| <b>Total</b>                  |       | <b>9.38</b>        | <b>3.45</b>        |
| <b>Current assets</b>         |       |                    |                    |
| Inventories                   | 2.3   | 13.82              | 13.82              |
| Financial assets              |       |                    |                    |
| - Trade receivables           | 2.4   | 180.73             | 347.65             |
| - Cash and cash equivalents   | 2.5   | 1.94               | 0.14               |
| - Other financial assets      | 2.1   | 0.15               | 0.57               |
| Other current assets          | 2.6   | 49.77              | 93.74              |
| <b>Total</b>                  |       | <b>246.41</b>      | <b>455.92</b>      |
| <b>Assets Total</b>           |       | <b>255.79</b>      | <b>459.37</b>      |
| <b>EQUITY AND LIABILITIES</b> |       |                    |                    |
| <b>Equity</b>                 |       |                    |                    |
| Equity share capital          | 2.7   | 3.00               | 3.00               |
| Other equity                  |       |                    |                    |
| - Reserves and surplus        | 2.8   | (80.90)            | (84.13)            |
| <b>Total</b>                  |       | <b>(77.90)</b>     | <b>(81.13)</b>     |
| <b>Liabilities</b>            |       |                    |                    |
| Non-current liabilities       |       |                    |                    |
| Financial liabilities         |       |                    |                    |
| - Borrowings                  | 2.9   | 23.10              | 17.94              |
| Provisions                    | 2.10  | 10.50              | 7.14               |
| <b>Total</b>                  |       | <b>33.60</b>       | <b>25.08</b>       |
| <b>Current liabilities</b>    |       |                    |                    |
| Financial liabilities         |       |                    |                    |
| - Borrowings                  | 2.9   | 73.84              | 59.49              |
| - Trade payables              | 2.11  | 93.18              | 292.33             |
| - Other financial liabilities | 2.12  | 16.80              | 16.81              |
| Other current liabilities     | 2.13  | 114.17             | 144.62             |
| Provisions                    | 2.10  | 2.10               | 2.17               |
| <b>TOTAL</b>                  |       | <b>300.09</b>      | <b>515.42</b>      |
| <b>Liabilities Total</b>      |       | <b>255.79</b>      | <b>459.37</b>      |

Significant Accounting Policies & Other Notes

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Notes to the Balance Sheet

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As per our report of even date

**For S K RAM ASSOCIATES**

**Firm Registration No.2842S**

Chartered Accountants

**For and On behalf of the Company**

Sd /-

Sd /-

Director

Director

**R.Balaji**

**Membership No.202916**

Place: Chennai, India

Date : 31st May 2020

**INSPIRISYS SOLUTIONS DMCC, UAE (Formerly Accel Frontline DMCC)**

**Audited Statement of Profit and loss account for Financial year ended 31st Mar 20**

*(All amounts in AED lakhs, unless otherwise stated)*

|  | Notes | 31 Mar 2020   | 31 Mar 2019    |
|--|-------|---------------|----------------|
| <b>Continuing operations</b>   |       |               |                |
| <b>Income</b>  |       |               |                |
| Revenue from operations  | 3.1   | 459.54        | 308.85         |
| Other income   | 3.2   | 5.74          | -              |
| <b>Total revenue (I)</b>   |       | <b>465.28</b> | <b>308.85</b>  |
| <b>Expenses</b>  |       |               |                |
| Purchase of traded goods   | 3.3   | 103.09        | 160.57         |
| (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods | 3.5   | -             | -              |
| Cost of Services   | 3.4   | 252.89        | 106.65         |
| Employee benefit expenses  | 3.6   | 74.18         | 36.99          |
| Other expenses   | 3.7   | 24.01         | 17.64          |
| <b>Total (II)</b>  |       | <b>454.17</b> | <b>321.85</b>  |
| <b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>  |       | <b>11.11</b>  | <b>(13.00)</b> |
| Depreciation and amortization expense  | 3.8   | 0.78          | 0.38           |
| Finance costs (Net)  | 3.9   | 6.81          | 10.63          |
| <b>Profit/(loss) before tax</b>  |       | <b>3.52</b>   | <b>(24.01)</b> |
| <b>Profit/(loss) for the year from continuing operations</b>                             |       | <b>3.52</b>   | <b>(24.01)</b> |

Significant Accounting Policies & Other Notes 1

Notes to the Statement of Profit and Loss Account 3

As per our report of even date

**For S K RAM ASSOCIATES**

**Firm Registration No.2842S**

*Chartered Accountants*

**For and On behalf of the Company**

Sd/-  
*Director*

Sd/-  
*Director*

**R.Balaji**

**Membership No.202916**

Place: Chennai, India

Date : 31st May 2020

INSPIRISYS SOLUTIONS DMCC, UAE (Formerly Accel Frontline DMCC)

|   | As at Mar 31, 2020 | As at Mar 31, 2019 |
|---|--------------------|--------------------|
| <b>2. Notes to the balance sheet for Financial year ended 31st Mar 20</b> |                    |                    |
| <i>(All amounts in AED lakhs, unless otherwise stated)</i>                |                    |                    |
| <b>Assets</b>   |                    |                    |
| <b>2.1 Other financial assets</b>   |                    |                    |
| <b>Non Current</b>  |                    |                    |
| Security deposits   | 1.29               | 0.82               |
| Rental deposit  | 0.40               |                    |
| <b>Total</b>  | <b>1.69</b>        | <b>0.82</b>        |
| <b>Current</b>  |                    |                    |
| Rental deposits   | 0.15               | 0.57               |
| Other loans and advances  | 0.00               | 0.00               |
| <b>Total</b>  | <b>0.15</b>        | <b>0.57</b>        |
| <b>2.2 Other non-current assets</b>                                       |                    |                    |
| Balances with government authorities                                      | 0.00               | 0.00               |
| Prepaid expenses  | 6.49               | 1.29               |
| <b>Total</b>  | <b>6.49</b>        | <b>1.29</b>        |
| <b>2.3 Inventories</b>  |                    |                    |
| Traded goods  | 13.82              | 13.82              |
| <b>Total</b>  | <b>13.82</b>       | <b>13.82</b>       |
| <b>2.4 Trade receivables</b>  |                    |                    |
| <b>Current</b>  |                    |                    |
| Considered good   | 180.73             | 347.65             |
| Considered doubtful   | 1.69               | 8.28               |
|   | 182.42             | 355.93             |
| Less: Provision for doubtful receivables                                  | -1.69              | -8.28              |
| <b>Total</b>  | <b>180.73</b>      | <b>347.65</b>      |
| <b>2.5 Cash and bank balances</b>   |                    |                    |
| <b>Cash and cash equivalents</b>  |                    |                    |
| Cash on hand  | 0.09               | 0.08               |
| Balances with banks - current accounts                                    | 1.85               | 0.06               |
| <b>Total</b>  | <b>1.94</b>        | <b>0.14</b>        |
| <b>2.6 Other current assets</b>   |                    |                    |
| Unbilled revenue  | 11.50              | 0                  |
| Balances with government authorities                                      | 0.00               | 0.00               |
| Prepaid expenses  | 34.92              | 90.21              |
| Employee advances   | 0.03               | 0.00               |
| Advance to supplier   | 3.31               | 3.54               |
| <b>Total</b>  | <b>49.76</b>       | <b>93.74</b>       |

INSPIRISYS SOLUTIONS DMCC, UAE (Formerly Accel Frontline DMCC)

|   | As at Mar 31, 2020 | As at Mar 31, 2019 |
|---|--------------------|--------------------|
| <b>2. Notes to the balance sheet for Financial year ended 31st Mar 20</b> |                    |                    |
| <i>(All amounts in AED lakhs, unless otherwise stated)</i>                |                    |                    |
| <b>2.7 Share capital</b>  |                    |                    |
| <b>Issued, Subscribed &amp; Paid up</b>                                   |                    |                    |
| 1 (March 31,2019:1) equity shares of 0.3 million AED                      | 3.00               | 3.00               |
| <b>2.8 Other Equity</b>   |                    |                    |
| Retained earnings   | (84.43)            | (60.12)            |
| Profit /(Loss) For The Year   | 3.52               | (24.01)            |
| <b>Total</b>  | <b>(80.90)</b>     | <b>(84.13)</b>     |
| <b>2.9 Borrowings</b>   |                    |                    |
| <b>Non-current</b>  |                    |                    |
| <b>Unsecured</b>  |                    |                    |
| Loans and advances from related parties                                   | 23.10              | 17.94              |
| <b>Total</b>  | <b>23.10</b>       | <b>17.94</b>       |
| <b>Current</b>  |                    |                    |
| <b>Secured:</b>   |                    |                    |
| -Working capital demand loan  |                    |                    |
| -Cash credit  | 14.53              | 35.60              |
| -Letter of credit   | 59.31              | 23.89              |
| <b>Total</b>  | <b>73.84</b>       | <b>59.49</b>       |
| <b>2.10 Provisions</b>  |                    |                    |
| <b>Long term Provision</b>  |                    |                    |
| Provisions for employee benefits  |                    |                    |
| Gratuity  | 6.36               | 4.56               |
| Compensated absences  | 4.14               | 2.57               |
| <b>Total</b>  | <b>10.50</b>       | <b>7.14</b>        |
| <b>Short term Provision</b>   |                    |                    |
| Provisions for employee benefits  |                    |                    |
| Gratuity  | 1.25               | 1.14               |
| Compensated absences  | 0.85               | 1.03               |
| <b>Total</b>  | <b>2.10</b>        | <b>2.17</b>        |
| <b>2.11 Trade payables</b>  |                    |                    |
| Dues other than MSMED   | 93.18              | 292.33             |
| <b>Total</b>  | <b>93.18</b>       | <b>292.33</b>      |
| <b>2.12 Other financial liabilities</b>                                   |                    |                    |
| Employee related payables   | 8.35               | 6.90               |
| Other accrued liabilities   | 8.45               | 9.91               |
| <b>Total</b>  | <b>16.80</b>       | <b>16.81</b>       |
| <b>2.13 Other current liabilities</b>                                     |                    |                    |
| Unamortised financial guarantee premium                                   |                    |                    |
| Unearned service revenue  | 104.29             | 141.18             |
| Statutory dues payable  | 9.88               | 3.44               |
| <b>Total</b>  | <b>114.17</b>      | <b>144.62</b>      |

INSPIRISYS SOLUTIONS DMCC, UAE (Formerly Accel Frontline DMCC)

31 Mar 2020 March 31, 2019

3. Notes to the Statement of Profit and Loss account for Financial year ended 31st Mar 20

(All amounts in AED lakhs, unless otherwise stated)

3.1 Revenue from operations

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Traded goods                         | 110.18        | 212.79        |
| Sale of services                     | 349.36        | 96.07         |
| <b>Revenue from operations (net)</b> | <b>459.54</b> | <b>308.85</b> |

3.2 Other income

|   |             |          |
|---|-------------|----------|
| Interest income on Bank deposits          |             |          |
| Exchange differences (net)                | -           | -        |
| Other non-operating income                | 5.74        | -        |
| Liability no longer required written back | -           | -        |
| <b>Total</b>                              | <b>5.74</b> | <b>-</b> |

3.3 Purchase of traded goods

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Traded purchases <i>less returns</i> | 103.09        | 160.57        |
| <b>Total</b>                         | <b>103.09</b> | <b>160.57</b> |

3.4 Cost of Services

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Sub-contracting and outsourcing cost | 252.89        | 106.65        |
|                                      | <b>252.89</b> | <b>106.65</b> |

3.5. (Increase)/decrease in inventories

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Inventories at the end of the year |              |              |
| Stock in Trade                     | 13.82        | 13.82        |
|                                    | <b>13.82</b> | <b>13.82</b> |

|  |              |              |
|--|--------------|--------------|
| Inventories at the beginning of the year |              |              |
| Stock in Trade                           | 13.82        | 13.82        |
|  | <b>13.82</b> | <b>13.82</b> |

|  |          |          |
|--|----------|----------|
| <b>Net (Increase)/ decrease in Inventories</b> | <b>-</b> | <b>-</b> |
|--|----------|----------|

INSPIRISYS SOLUTIONS DMCC, UAE (Formerly Accel Frontline DMCC)

31 Mar 2020 March 31, 2019

**3. Notes to the Statement of Profit and Loss account for Financial year ended 31st Mar 20**

*(All amounts in AED lakhs, unless otherwise stated)*

**3.6 Employee benefits expense**

|                           |              |              |
|---------------------------|--------------|--------------|
| Salaries, wages and bonus | 72.04        | 35.51        |
| Gratuity expense          | 1.97         | 1.19         |
| Staff welfare expenses    | 0.17         | 0.29         |
| Total                     | <b>74.18</b> | <b>36.99</b> |

**3.7 Other expenses**

|                                 |              |              |
|---------------------------------|--------------|--------------|
| Rent                            | 2.74         | 4.56         |
| Power and fuel                  | 0.18         | 0.22         |
| Repairs and maintenance         |              |              |
| Leased premises                 | 0.66         | 0.35         |
| Others                          | 0.03         | 0.01         |
| Insurance                       | 2.23         | 1.62         |
| Rates and taxes                 | 1.97         | 1.56         |
| Communication costs             | 1.19         | 0.93         |
| Travelling and conveyance       | 5.82         | 0.74         |
| Printing and stationery         | 0.17         | 0.10         |
| Freight and forwarding          | 0.53         | 0.36         |
| Legal and professional fees     | 2.23         | 0.32         |
| Advertising and sales promotion | 0.70         | 0.96         |
| Brokerage and discounts         | 0.01         | 0.02         |
| Exchange differences (net)      | 0.83         | 0.31         |
| Bad debts written off           | 2.77         | 5.46         |
| Miscellaneous expenses          | 1.96         | 0.09         |
| Total                           | <b>24.01</b> | <b>17.64</b> |

**3.8 Depreciation and amortization expense**

|                                 |             |             |
|---------------------------------|-------------|-------------|
| Depreciation of tangible assets | 0.78        | 0.38        |
| Total                           | <b>0.78</b> | <b>0.38</b> |

**3.9 Finance costs**

|                           |             |              |
|---------------------------|-------------|--------------|
| Interest                  | 6.81        | 10.09        |
| Bank charges & Commission | -           | 0.54         |
| Total                     | <b>6.81</b> | <b>10.63</b> |