

## **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.

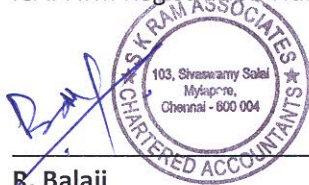
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or 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



**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	(80.61)	(84.13)
<b>Total</b>		<b>(77.61)</b>	<b>(81.13)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	2.9	22.81	17.94
Provisions	2.10	10.50	7.14
<b>Total</b>		<b>33.31</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

2

As per our report of even date

For S K RAM ASSOCIATES

Firm Registration No.2842S

Chartered Accountants



R. Balaji

Membership No.202916

Place: Chennai, India

Date : 31st May 2020

For and On behalf of the Company

M. Mehta

Director

MGM

1/12

M. Mehta

Director

MG



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



R.Balaji

Membership No.202916

Place: Chennai, India

Date : 31st May 2020

For and On behalf of the Company

*N. F. Elita*

Director

MFM

2/12

*M. G.*

Director

MG

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

(All amounts in AED lakhs, unless otherwise stated)

Cash Flow Statement for the year ended	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flows from operating activities</b>		
Net profit / (loss) for the year before tax	3.52	(24.01)
<u>Adjustment for:</u>		
Depreciation on fixed assets	0.78	0.38
Interest expenses	6.81	10.63
Bad debts written off	2.77	5.46
<b>Operating profit / (loss) before reinvestment of capital</b>	<b>13.88</b>	<b>(7.53)</b>
(Increase)/Decrease in Trade receivables	164.15	(276.60)
(Increase)/Decrease in other current assets	38.32	(72.74)
Increase/(Decrease) in trade and other payables	(196.87)	205.57
Increase/(Decrease) in other current liabilities	(30.53)	162.27
<b>Cash generated from / (used in) operations</b>	<b>(11.05)</b>	<b>10.97</b>
<u>Cash flows from investing activities:</u>		
Acquisition of non current assets & CWIP	0.14	(0.42)
<b>Net cash flows from/ (used in) investing activities</b>	<b>0.14</b>	<b>(0.42)</b>
<u>Cash flows from financing activities:</u>		
Proceeds/(Repayment) of term loan for equipment leases	19.50	-
Interest paid	(6.81)	(10.63)
<b>Net cash flows from/ (used in) financing activities</b>	<b>12.70</b>	<b>(10.63)</b>
<u>Net Increase/(decrease) in cash &amp; cash equivalents</u>	<u>1.79</u>	<u>(0.07)</u>
Cash & cash equivalents at the beginning of the year	0.15	0.23
<b>Cash &amp; Cash equivalents at end of the year</b>	<b>1.94</b>	<b>0.15</b>

As per our report of even date

For S K RAM ASSOCIATES

Firm Registration No.2842S

Chartered Accountants

  
R. Balaji  
Membership No.202916

Place: Chennai, India

Date : 31st May 2020

For and On behalf of the Company



Director

Mfm

3/12



Director

MG

INSPIRISYS SOLUTIONS DMCC, UAE (Formerly Accel Frontline DMCC)

Notes to the Financial Statements (continued)

(All amounts in AED lakhs, unless otherwise stated)

For the period ended Mar,31,2020

2.0 Fixed Assets

	Air Conditioners	Furniture & fixtures	Tangible Assets			Intangible Assets		
			Office equipments	CAR/VAN	Computers	Leasehold Improvements	Computer Software	Total
Cost								
As at April 1, 2019	0.04	5.25	1.23	0.97	1.56	0.24	22.86	32.14
Additions during the year	-		0.01		0.42		0.21	0.64
<b>As at Mar 31 ,2020</b>	<b>0.04</b>	<b>5.25</b>	<b>1.24</b>	<b>0.97</b>	<b>1.98</b>	<b>0.24</b>	<b>23.07</b>	<b>32.79</b>
Accumulated depreciation								
As at April 1, 2019	(0.04)	(4.84)	(1.08)	(0.25)	(1.49)	(0.24)	(22.86)	(30.80)
Depreciation for the year	-	0.41	0.12	0.09	0.15		0.02	0.78
<b>As at Mar 31 ,2020</b>	<b>(0.04)</b>	<b>(4.43)</b>	<b>(0.97)</b>	<b>(0.34)</b>	<b>(1.35)</b>	<b>(0.24)</b>	<b>(22.85)</b>	<b>(31.58)</b>
Net book value								
<b>As at Mar 31 ,2020</b>	<b>-</b>	<b>0.82</b>	<b>0.27</b>	<b>0.63</b>	<b>0.63</b>	<b>-</b>	<b>0.23</b>	<b>1.20</b>
As at March 31, 2019	-	0.41	0.15	0.72	0.06	-	-	1.34

INSPIRISYS SOLUTIONS DMCC, UAE (Formerly Accel Frontline DMCC)

2. Notes to the balance sheet for Financial year ended 31st Mar 20		As at Mar 31, 2020	As at Mar 31, 2019
(All amounts in AED lakhs, unless otherwise stated)			
<b>Assets</b>			
<b>2.1 Other financial assets</b>			
Non Current			
Security deposits		1.29	0.82
Rental deposit		0.40	
<b>Total</b>		<b>1.69</b>	<b>0.82</b>
Current			
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>			
Current			
Considered good		180.73	347.65
Considered doubtful		1.69	8.28
Less: Provision for doubtful receivables		182.42	355.93
<b>Total</b>		<b>-1.69</b>	<b>-8.28</b>
		<b>180.73</b>	<b>347.65</b>
<b>2.5 Cash and bank balances</b>			
Cash and cash equivalents			
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		3.32	3.54
<b>Total</b>		<b>49.77</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> (All amounts in AED lakhs, unless otherwise stated)		
<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	(84.13)	(60.12)
Profit /(Loss) For The Year	3.52	(24.01)
<b>Total</b>	<b>(80.61)</b>	<b>(84.13)</b>
<b>2.9 Borrowings</b>		
<b>Non-current</b>		
<b>Unsecured</b>		
Loans and advances from related parties	22.81	17.94
<b>Total</b>	<b>22.81</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 less returns	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>Total</b>	<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>
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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	<u>74.18</u>	<u>36.99</u>

**3.7 Other expenses**

Rent		-
Power and fuel	2.74	4.56
Repairs and maintenance	0.18	0.22
Leased premises		
Others	0.66	0.35
Insurance	0.03	0.01
Rates and taxes	2.23	1.62
Communication costs	1.97	1.56
Travelling and conveyance	1.19	0.93
Printing and stationery	5.82	0.74
Freight and forwarding	0.17	0.10
Legal and professional fees	0.53	0.36
Advertising and sales promotion	2.23	0.32
Brokerage and discounts	0.70	0.96
Exchange differences (net)	0.01	0.02
Bad debts written off	0.83	0.31
Miscellaneous expenses	2.77	5.46
Total	<u>1.95</u>	<u>0.09</u>
	<u>24.01</u>	<u>17.64</u>

**3.8 Depreciation and amortization expense**

Depreciation of tangible assets	0.78	0.38
Total	<u>0.78</u>	<u>0.38</u>

**3.9 Finance costs**

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

## Inspirisys Solutions DMCC (Formerly Accel Frontline DMCC)

(All amounts are in United Arab Emirates Dirham lakhs, unless otherwise stated)

### 1. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> March 2020.

#### 1.1. Legal status and business activity:

Inspirisys Solutions DMCC ( formerly Accel Frontline DMCC, Dubai (the "Company") was established as a wholly owned subsidiary of M/s. Inspirisys Solutions Limited ( Formerly Accel Frontline Limited, India ) on 5<sup>th</sup> October 2002 in the Jebel Ali Free Zone, Dubai, UAE. The Company has become a Free Zone Establishment company vide amendment License No.03622 and registration No.01211 Dt.10<sup>th</sup> October, 2005 & 9<sup>th</sup> October, 2005 respectively effective from 5<sup>th</sup> October, 2002. The license has since been transferred to DAFZA vide License No.1886 with effect from March 21, 2010. The license has since been transferred to JLT vide License No.JLT-66246 with effect from August 04, 2011. The Company was subsequently registered under Dubai Multi Commodities Centre Authority through the Legal Registrar with effect from February 04, 2015, consequently the Company suffix was changed to Inspirisys Solutions DMCC (formerly Accel Frontline DMCC) in accordance with Dubai Multi Commodities Centre's transition process. The Company is licensed to carry on the business of Trading in Computer Software & Hardware, maintenance services and Technical Support.

#### 1.2. Tangible and Intangible Assets:

- a) Cost: The tangible assets represent Office Equipments, Air Conditioners, Furniture & Fixtures & Vehicles. The Tangible assets are stated at cost. Cost includes all expenses directly attributable to bringing the asset to its working condition for its intended use.
- b) Depreciation: Depreciation on tangible assets is computed from the date the assets have been installed and put to use on straight line method at the rates specified here under:
- c) Intangibles are amortised over a period of 7 years being the useful life time of the asset.

##### Rates:

Air conditioners	: 9.50%
Office Equipments	: 9.50%
Furniture & Fixtures	: 9.50%
Vehicle	: 9.50%
Computers	: 33.33%
Software (Intangible)	: 14.30%

#### 1.3. Share Capital & Reserves:

Particulars	Issued Capital/ Share Application Money	Accumulated profit / Adjustments to Reserves	Total
Balance as at April 1, 2019	3.00	(84.13)	(81.13)
Profit/(Loss) for the year		3.52	3.52
Balance as at March 31, 2020	3.00	(80.61)	(80.61)





## **Inspirisys Solutions DMCC (Formerly Accel Frontline DMCC)**

*(All amounts are in United Arab Emirates Dirham lakhs, unless otherwise stated)*

### **1.4. Revenue Recognition:**

Revenue is generally accounted for on accrual basis and is recognized as follows:

- a) Sales: Sales are recognized when significant risks and rewards of ownership passed on to the buyer, is generally coincides with the delivery of goods.
- b) Services: Revenue is recognized over the period in which the service is provided.
- c) Software Services: Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues.

Revenue from fixed-price and fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the percentage of completion method. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

### **1.5. Taxation:**

The Income of the Company is exempt from tax as per the rules and regulations of Dubai Multi Commodities Centre Authority Free Zone (DMCC), Dubai.

### **1.6. Number of Employees:**

The number of employees of the Company as at March 31, 2020 were 47 (Forty Seven).

### **1.7. Related parties with whom there were transactions during the Year:**

<b>Name of the Party</b>	<b>Nature of Relationship</b>
CAC Holdings Corporation Tokyo , Japan	Ultimate Holding Company
Inspirisys Solutions Limited ( Formerly Accel Frontline Limited, India )	Holding Company
Inspirisys Solutions North America Inc, California U.S.A ( Formerly Accel North America Inc	Fellow Subsidiary

### **Key Managerial Personnel:**

Shri. Malcolm F. Mehta	Director
Shri. Murali Gopalakrishnan	Director
Shri. Maqbool Hassan	Director





## Inspirisys Solutions DMCC (Formerly Accel Frontline DMCC)

(All amounts are in United Arab Emirates Dirham lakhs, unless otherwise stated)

### 1.8. The Company's transactions with its related parties are as follows:

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary
Interest Paid	Nil (Nil)	0.88 (0.81)	0.61 (0.18)
Guarantee Fees Paid	0.75 (0.75)	Nil (Nil)	Nil (Nil)
Payables	Nil (0.75)	15.21 (11.14)	11.09 (6.80)
Maximum Amount Outstanding at any time During the year	Nil Nil	15.21 (11.14)	11.09 (6.80)

Amounts shown in parenthesis represents previous year figures

### 1.9. Related Party Interest In Contracts:

The key persons of the Company are neither directly nor indirectly interested in any contract with the Company.

### 1.10. Capital Commitments:

The Company has no capital commitments, which would require disclosure as at 31st March 2020.

### 1.11. Contingent Liabilities:

There are no contingent liabilities as at the balance sheet date, which would require provision or disclosure.

### 1.12. Audit Fee:

	2020	2019
Statutory Audit	0.10	0.10

### 1.13. Earning per Share

The earnings considered in ascertaining the company's basic and diluted earnings per share comprise of the net profit/(loss) after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing the diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of shares if any which would have been issued on the conversion of all dilutive potential equity shares.

## Inspirisys Solutions DMCC (Formerly Accel Frontline DMCC)

(All amounts are in United Arab Emirates Dirham lakhs, unless otherwise stated)

### 1.14. Measurement of EBITDA

The company measures EBITDA on the basis of profit /(loss) from continuing operations. In its measurement does not include depreciation and amortization expense, finance costs and tax expense.

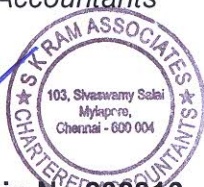
### 1.15. Comparative Figures:

Figures shown for in the previous year have been regrouped and reclassified to facilitate comparison with the current year.

As per our report attached

**For S K RAM ASSOCIATES**  
**Firm Registration No.2842S**  
*Chartered Accountants*

  
**R. Balaji**  
**Membership No. 202916**



Chennai, India  
Date: 31<sup>st</sup> May 2020

**For and On behalf of the Company**

  
**Director**

MfM  
4/12

  
**Director**

MG