

# **S K RAM ASSOCIATES**

Chartered Accountants  
Old No. 57/2, New No. 103  
P.S. Sivaswamy Salai, Mylapore  
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## **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 2023 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.

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

## **Opinion**

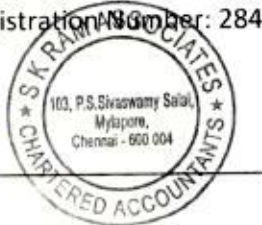
In our opinion and to the best of our information and according to the explanation given to us, the financial statements give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March 2023, and of its results of operations for the year then ended in accordance with Generally Accepted Accounting Principles adopted in India subject to note no. 1.15 to the financial statements for the year ended 31<sup>st</sup> March 2023.

For S K Ram Associates  
Chartered Accountants  
ICAI Firm Registration Number: 28425



**R. Balaji**

Membership Number: 202916  
UDIN: 23202916BGPPEV4464  
Place of Signature: Chennai  
Date: 09<sup>th</sup> May 2023





# Inspirisys Solutions DMCC, UAE

Audited Balance sheet as at 31 March 2023

(All amounts in AED , unless otherwise stated)

	Notes	As at Mar 31, 2023	As at Mar 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.0	36,260	47,848
Intangible assets	2.0	0	0
- Other financial assets	2.1	85,050	83,050
Other non-current assets	2.2	205,318	0
<b>Total</b>		<b>326,628</b>	<b>130,898</b>
<b>Current assets</b>			
Inventories	2.3	1,000	1,000
Financial assets			
- Trade receivables	2.4	1,572,339	3,028,890
- Cash and cash equivalents	2.5	94,187	49,665
- Other financial assets	2.1	21,350	21,350
Other current assets	2.6	2,951,680	3,006,925
<b>Total</b>		<b>4,640,556</b>	<b>6,107,829</b>
<b>Assets Total</b>		<b>4,967,184</b>	<b>6,238,727</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	2.7	300,000	300,000
Other equity			
- Reserves and surplus	2.8	(29,151,930)	(19,977,810)
<b>Total</b>		<b>(28,851,930)</b>	<b>(19,677,810)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	2.9	0	0
Provisions	2.10	1,251,130	916,867
<b>Total</b>		<b>1,251,130</b>	<b>916,867</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	2.9	25,544,388	19,797,848
- Trade payables	2.11	2,445,531	2,621,805
- Other financial liabilities	2.12	2,338,693	1,331,743
Other current liabilities	2.13	1,973,962	982,364
Provisions	2.10	265,411	265,911
<b>TOTAL</b>		<b>32,567,984</b>	<b>24,999,671</b>
<b>Liabilities Total</b>		<b>4,967,184</b>	<b>6,238,727</b>

Significant Accounting Policies & Other Notes 1


Notes to the Balance Sheet 2

As per our report of even date

For S K RAM ASSOCIATES

Firm Registration No. 28425

Chartered Accountants

  
R. Balaji  
Membership No. 202916



For and On behalf of the Board

  
Director

  
Director

Place: Chennai, India

Date : 09 May 2023

# Inspirisys Solutions DMCC, UAE

Audited Statement of Profit and loss account for Year ended 31st March 2023

(All amounts in AED , unless otherwise stated)

Particulars	Notes	Year ended 31 Mar 2023	Year ended 31 Mar 2022
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from operations	3.1	8,544,902	13,202,639
Other income	3.2		393,987
<b>Total revenue (I)</b>		<b>8,544,902</b>	<b>13,596,626</b>
<b>Expenses</b>			
Purchase of traded goods	3.3	2,235,466	546,626
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	3.5	-	-
Cost of Services	3.4	3,173,415	8,880,782
Employee benefit expenses	3.6	4,946,254	7,680,415
Impairment losses			3,366,941
Other expenses	3.7	5,458,442	2,183,214
<b>Total (II)</b>		<b>15,813,576</b>	<b>22,657,979</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>(7,268,674)</b>	<b>(9,061,353)</b>
Depreciation and amortization expense	3.8	11,588	9,861
Finance costs (Net)	3.9	1,893,857	1,420,863
<b>Profit/(loss) before tax</b>		<b>(9,174,120)</b>	<b>(10,492,077)</b>
<b>Profit/(loss) for the year from continuing operations</b>		<b>(9,174,120)</b>	<b>(10,492,077)</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

For and On behalf of the Board

  
Director

  
Director

Place: Chennai, India

Date : 09 May 2023



**Inspirisys Solutions DMCC, UAE**

**2. Notes to the balance sheet as at 31st March 2023**

(All amounts in AED, unless otherwise stated)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>2.1 Other financial assets</b>		
<b>Non Current</b>		
Security deposits	85,050	83,050
Rental deposit	-	-
<b>Total</b>	<b>85,050</b>	<b>83,050</b>
<b>Current</b>		
Rental deposits	21,350	21,350
Other loans and advances	-	-
<b>Total</b>	<b>21,350</b>	<b>21,350</b>
<b>2.2 Other non-current assets</b>		
Balances with government authorities	205,318	-
Prepaid expenses	-	-
<b>Total</b>	<b>205,318</b>	<b>-</b>
<b>2.3 Inventories</b>		
Traded goods	1,000	1,000
<b>Total</b>	<b>1,000</b>	<b>1,000</b>
<b>2.4 Trade receivables</b>		
<b>Current</b>		
Considered good	1,572,339	3,028,890
Considered doubtful	3,068,715	1,965,857
	4,641,054	4,994,747
Less: Provision for doubtful receivables	-3,068,715	-1,965,857
<b>Total</b>	<b>1,572,339</b>	<b>3,028,890</b>
<b>2.5 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	1,920	4,235
Balances with banks - current accounts	92,267	45,430
<b>Total</b>	<b>94,187</b>	<b>49,665</b>
<b>2.6 Other current assets</b>		
Unbilled revenue	1,263,297	1,497,769
Balances with government authorities	-	-
Prepaid expenses	1,209,004	1,334,016
Employee advances	-	-
Advance to supplier	479,379	175,140
<b>Total</b>	<b>2,951,680</b>	<b>3,006,925</b>

## Inspirisys Solutions DMCC, UAE

### 2. Notes to the balance sheet as at 31st March 2023

(All amounts in AED , unless otherwise stated)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>2.7 Share capital</b>		
<b>Issued, Subscribed &amp; Paid up</b>		
1 (March 31,2022:1) equity shares of 0.3 million AED	300,000	300,000
<b>2.8 Other Equity</b>		
Retained earnings	-19,977,810	-9,481,611
Profit / (Loss) For The Year	-9,174,120	-10,496,199
<b>Total</b>	<b>-29,151,930</b>	<b>-19,977,810</b>
<b>2.9 Borrowings</b>		
<b>Current</b>		
<b>Secured:</b>		
-Working capital demand loan		
-Short term loan		
Loans and advances from related parties	11,611,158	6,461,866
-Cash credit	13,933,230	13,335,982
<b>Total</b>	<b>25,544,388</b>	<b>19,797,848</b>
<b>2.10 Provisions</b>		
<b>Long term Provision</b>		
Provisions for employee benefits		
Gratuity	706,360	634,513
Compensated absences	544,770	282,354
<b>Total</b>	<b>1,251,130</b>	<b>916,867</b>
<b>Short term Provision</b>		
Provisions for employee benefits		
Gratuity	169,912	169,912
Compensated absences	95,499	95,999
<b>Total</b>	<b>265,411</b>	<b>265,911</b>
<b>2.11 Trade payables</b>		
Dues other than MSMED	2,445,531	2,621,805
<b>Total</b>	<b>2,445,531</b>	<b>2,621,805</b>
<b>2.12 Other financial liabilities</b>		
Employee related payables	722,636	801,429
Other accrued liabilities	1,616,057	530,314
<b>Total</b>	<b>2,338,693</b>	<b>1,331,743</b>
<b>2.13 Other current liabilities</b>		
Unamortised financial guarantee premium		
Unearned service revenue	981,712	1,024,587
Other Advances ( Advances from Customers )	992,250	
Statutory dues payable		-42,223
<b>Total</b>	<b>1,973,962</b>	<b>982,364</b>

INSPIRISYS SOLUTIONS DMCC, UAE

Notes to the Financial Statements (continued)  
 (All amounts in AED, unless otherwise stated)  
 For the period ended Mar.31,2023

2.0 Fixed Assets

	Tangible Assets				Intangible Assets			Total
	Air Conditioners	Furniture & fixtures	Office equipments	CAR/VAN	Computers	Leasehold improvements	Computer Software	
<b>Cost</b>								
As at April 1, 2022	3,897	524,537	123,659	96,900	200,772	24,000	2,307,300	3,281,065
Additions during the year	-	-	-	-	-	-	-	-
<b>As at Mar 31 ,2023</b>	<b>3,897</b>	<b>524,537</b>	<b>123,659</b>	<b>96,900</b>	<b>200,772</b>	<b>24,000</b>	<b>2,307,300</b>	<b>3,281,065</b>
<b>Accumulated depreciation</b>								
As at April 1, 2022	(3,897)	(524,537)	(122,836)	(52,192)	(198,456)	(24,000)	(2,307,300)	(3,233,217)
Depreciation for the year	-	(67)	(67)	(9,206)	(2,316)	-	-	(11,988)
<b>As at Mar 31 ,2023</b>	<b>(3,897)</b>	<b>(524,537)</b>	<b>(122,903)</b>	<b>(61,397)</b>	<b>(200,772)</b>	<b>(24,000)</b>	<b>(2,307,300)</b>	<b>(3,244,805)</b>
<b>Net book value</b>								
As at Mar 31 ,2023	-	0	756	35,503	0	-	-	36,260
As at March 31, 2022	-	0	823	44,709	2,316	-	-	47,848

## Inspirisys Solutions DMCC, UAE

### 3. Notes to the Statement of Profit and Loss account for Year ended 31st March 2023

(All amounts in AED , unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>3.1 Revenue from operations</b>		
Traded goods	3,161,820	596,846
Sale of services	5,383,082	12,605,793
<b>Revenue from operations (net)</b>	<b>8,544,902</b>	<b>13,202,639</b>
 <b>3.2 Other income</b>		
Other non-operating income	0	389,865
<b>Total</b>	<b>0</b>	<b>389,865</b>
 <b>3.3 Purchase of traded goods</b>		
Traded purchases less returns	2,235,466	546,626
<b>Total</b>	<b>2,235,466</b>	<b>546,626</b>
 <b>3.4 Cost of Services</b>		
Sub-contracting and outsourcing cost	3,173,415	8,880,782
	<b>3,173,415</b>	<b>8,880,782</b>
 <b>3.5. (Increase)/decrease in inventories</b>		
Inventories at the end of the year		
Stock in Trade	1,000	1,000
	<b>1,000</b>	<b>1,000</b>
Inventories at the beginning of the year		
Stock in Trade	1,000	1,000
	<b>1,000</b>	<b>1,000</b>
<b>Net (Increase) / decrease in Inventories</b>	<b>-</b>	<b>-</b>



## Inspirisys Solutions DMCC, UAE

### 3. Notes to the Statement of Profit and Loss account for Year ended 31st March 2023

(All amounts in AED , unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>3.6 Employee benefits expense</b>		
Salaries, wages and bonus	4,739,666	7,566,510
Gratuity expense	135,191	97,265
Staff welfare expenses	71,396	16,640
Total	4,946,254	7,680,415
<b>3.7 Other expenses</b>		
Rent	145,070	125,632
Power and fuel	17,910	16,634
Bad debts written off	1,434,778	693,000
Leased premises		3,353
Others	63,179	40,975
Insurance	315,668	271,835
Rates and taxes	74,396	148,545
Communication costs	110,935	144,203
Travelling and conveyance	201,403	76,831
Printing and stationery	2,846	3,359
Exchange differences (net)	-52,540	-4,122
Legal and professional fees	3,130,469	619,672
Miscellaneous expenses	14,329	43,297
Total	5,458,442	2,183,214
<b>3.8 Depreciation and amortization expense</b>		
Depreciation of tangible assets	11,588	9,861
Total	11,588	9,861
<b>3.9 Finance costs</b>		
Interest	1,893,857	1,420,863
Total	1,893,857	1,420,863

## Inspirisys Solutions 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 2023.

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

Inspirisys Solutions DMCC (the "Company") was established as a wholly owned subsidiary of M/s. Inspirisys Solutions Limited 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 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, 2022	3.00	(199.78)	(196.78)
Profit/(Loss) for the year		(91.74)	(91.74)
Balance as at March 31, 2023	3.00	(291.52)	(288.52)



## **Inspirisys Solutions 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) **Products/Traded Goods:** Revenue is 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, 2023 were 18 (Eighteen).

### **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	Holding Company
Inspirisys Solutions North America Inc, California U.S.A	Fellow Subsidiary

### **Key Managerial Personnel:**

Mr. Malcolm F. Mehta(Ceased to be Director w.e.f 31.10.2022)	
Mr. Murali Gopalakrishnan	Director
Mr. Maqbool Hassan	Director
Mr. Reni Don Rozario	Director



## Inspirisys Solutions 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)	Nil (0.44)	Nil (1.36)
Guarantee Fees Paid	0.70 (2.04)	Nil (Nil)	Nil (Nil)
Payables	1.52 (0.82)	25.07 (30.82)	102.77 (51.33)
Maximum Amount Outstanding at any time During the year	1.52 (0.82)	25.07 (30.82)	102.77 (51.33)

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 2023.

### 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:

	2023	2022
Statutory Audit	Nil	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

*(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 Going Concern

At 31 March 2023 the company's current assets exceed current liabilities by AED 279.27 Lakhs. The company recorded a Loss before tax for year ended 31 March 2023 of AED 91.74 lakhs. Further, the company has accumulated losses amounting to AED 291.52 Lakhs which has resulted in an erosion of net worth. However, the current liabilities are predominantly payables and debts to the holding company, debts to fellow subsidiary and Bank facility guaranteed by ultimate holding company and the company has undrawn facility of AED 2.95 Lakhs as of 31 March 2023. The management is confident that the future revenue and cash flow projections will enable the Group to operate as a going concern. Accordingly, no adjustments have been made to the carrying amount of the assets and liabilities and these financial statements have been prepared using the going concern assumption.

### 1.16. 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**



**For and On behalf of the Company**

  
**Director**

  
**Director**

Chennai, India  
Date: 09<sup>th</sup> May 2023