

M.R.NARAIN & CO.,

CHARTERED ACCOUNTANTS

No. 1, Mahalingam Street, Mahalingapuram, Chennai - 600 034.
Tel: 91 - 44 - 4308 1246, 4308 1247. E-mail : email@mrnarain.net

INDEPENDENT AUDITORS 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 31st March 2024 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 Financials Statements

Management is responsible for the preparation of these financials 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 & error.

Auditors Responsibility

Our responsibility is 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 judgement, 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 considers 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 of 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 31st March 2024, and its results of operation for the year then ended in accordance with the generally accepted accounting principles adopted in India subject to note no.1.15 to the financial statements for the year ended 31st March 2024.

For **M.R.Narain & Co.**,
Chartered Accountants
Firm Regn No: 002330S

G. Chandrasekaran



G.Chandrasekaran

Partner

M.No: 208546

UDIN: **24208546BKFHZU6196**

Place : Chennai

Date : 9th May 2024

24208546BKFHZU6196

Inspirisys Solutions DMCC, UAE

Balance sheet as at 31 March 2024

(All amounts in AED, unless otherwise stated)

	Notes	As at Mar 31, 2024	As at Mar 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	2.0	-	36,260
Intangible assets	2.0	-	-
- Other financial assets	2.1	1,65,517	85,050
Other non-current assets	2.2	-	2,05,318
Total		1,65,517	3,26,628
Current assets			
Inventories	2.3	-	1,000
Financial assets			
- Trade receivables	2.4	-	15,72,339
- Cash and cash equivalents	2.5	90,653	94,187
- Other financial assets	2.1	-	21,350
Other current assets	2.6	-	29,51,680
Total		90,653	46,40,556
Assets Total		2,56,170	49,67,184
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.7	3,00,000	3,00,000
Other equity			
- Reserves and surplus	2.8	(2,67,324)	(2,91,51,930)
Total		32,676	(2,88,51,930)
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	2.9	-	-
Provisions	2.10	-	12,51,130
Total		-	12,51,130
Current liabilities			
Financial liabilities			
- Borrowings	2.9	-	2,55,44,388
- Trade payables	2.11	-	24,45,531
- Other financial liabilities	2.12	2,23,494	23,38,693
Other current liabilities	2.13	-	19,73,962
Provisions	2.10	-	2,65,411
TOTAL		2,23,494	3,25,67,984
Liabilities Total		2,56,170	49,67,184
Significant Accounting Policies & Other Notes	1		
Notes to the Balance Sheet	2		
As per our report of even date			

For M R Narain & Co. Chartered Accountants
Firm Registration No. : 002330S

For and On behalf of the Board

G Chandrasekaran
Partner
Membership No. 208546



[Signature]
Director

[Signature]
Director

Place: Chennai, India
Date : 09, May 2024

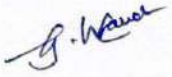
Inspirisys Solutions DMCC, UAE

Statement of Profit and loss account for Year ended 31 March 2024
(All amounts in AED , unless otherwise stated)

Particulars	Notes	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Continuing operations			
Income			
Revenue from operations	3.1	28,21,916	85,44,902
Other income	3.2	2,10,62,082	
Total revenue (I)		2,38,83,998	85,44,902
Expenses			
Purchase of traded goods	3.3	11,21,749	22,35,466
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	3.5	1,000	
Cost of Services	3.4	14,39,934	31,73,415
Employee benefit expenses	3.6	18,36,347	49,46,254
Impairment losses		21,41,838	14,34,778
Other expenses	3.7	15,19,831	40,23,664
Total (II)		80,60,699	1,58,13,576
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		1,58,23,299	(72,68,674)
Depreciation and amortization expense	3.8	6,913	11,588
Finance costs (Net)	3.9	15,55,780	18,93,857
Profit/(loss) before tax		1,42,60,605	(91,74,120)
Profit/(loss) for the year from continuing operations		1,42,60,605	(91,74,120)
Significant Accounting Policies & Other Notes	1		
Notes to the Statement of Profit and Loss Account	3		

As per our report of even date

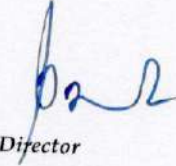
For M R Narain & Co. Chartered Accountants
Firm Registration No. : 002330S


G Chandrasekaran
Partner
Membership No. 208546



For and On behalf of the Board


Director


Director

Place: Chennai, India
Date : 09, May 2024

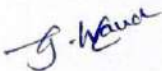
INSPIRISYS SOLUTIONS DMCC, UAE

(All amounts in AED , unless otherwise stated)

Cash Flow Statement for the year ended	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities		
Net profit / (loss) for the year before tax	1,42,60,605	(91,74,120)
<u>Adjustment for:</u>		
Depreciation on fixed assets	6,913	11,588
Interest expenses	15,55,780	18,93,857
Provision no Longer required written back	(2,10,62,082)	
Bad debts written off	21,41,838	-
Operating profit / (loss) before reinvestment of capital	(30,96,945)	(72,68,674)
(Increase)/Decrease in Trade receivables	15,72,339	14,56,551
Amortization of Intangibles		
(Increase)/Decrease in inventories	1,000	-
(Increase)/Decrease in other current assets	30,97,881	(1,52,074)
Increase/(Decrease) in trade and other payables	(20,66,355)	1,57,989
Increase/(Decrease) in other current liabilities	(44,82,289)	19,99,047
Cash generated from / (used in) operations	(49,74,369)	(38,07,161)
<u>Cash flows from investing activities:</u>		
Acquisition of non current assets & CWIP	(250)	-
Net cash flows from/ (used in) investing activities	(250)	-
<u>Cash flows from financing activities:</u>		
Proceeds/(Repayment) of term loan	(2,55,44,388)	57,46,541
Writeback of loans	1,74,45,844	-
Contribution from Ultimate holding company	1,46,24,000	-
Interest paid	(15,55,780)	(18,93,857)
Net cash flows from/ (used in) financing activities	49,69,676	38,52,683
Net Increase/(decrease) in cash & cash equivalents	(4,943)	45,522
Cash & cash equivalents at the beginning of the year	95,596	50,074
Cash & Cash equivalents at end of the year	90,653	95,596
	-0.12	

As per our report of even date

For M R Narain & Co. Chartered Accountants
Firm Registration No. : 002330S



G Chandrasekaran
Partner

Membership No. 208546



For and On behalf of the Board


Director


Director

Place: Chennai, India

Date : 09, May 2024

Inspirisys Solutions DMCC, UAE

2. Notes to the balance sheet as at 31 March 2024

(All amounts in AED , unless otherwise stated)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
2.1 Other financial assets		
Non Current		
Security deposits	1,65,517	85,050
Rental deposit	-	-
Total	1,65,517	85,050
Current		
Rental deposits	-	21,350
Other loans and advances	-	-
Total	-	21,350
2.2 Other non-current assets		
Balances with government authorities	-	2,05,318
Prepaid expenses	-	-
Total	-	2,05,318
2.3 Inventories		
Traded goods	-	1,000
Total	-	1,000
2.4 Trade receivables		
Current		
Considered good	0	15,72,339
Considered doubtful	-	30,68,715
Less: Provision for doubtful receivables	0	46,41,054
Total	0	(30,68,715)
	0	15,72,339
2.5 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	4	1,920
Balances with banks - current accounts	90,649	92,267
Total	90,653	94,187
2.6 Other current assets		
Unbilled revenue	-	12,63,297
Balances with government authorities	-	-
Prepaid expenses	-	12,09,004
Employee advances	-	-
Advance to supplier	-	4,79,379
Less : Povision for Loans and Advances (Unbilled Revenue)	-	-
Total	-	29,51,680

Inspirisys Solutions DMCC, UAE

2. Notes to the balance sheet as at 31 March 2024

(All amounts in AED , unless otherwise stated)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
2.7 Share capital		
Issued, Subscribed & Paid up		
1 (March 31,2023:1) equity shares of 0.3 million AED	3,00,000	3,00,000
2.8 Other Equity		
Retained earnings	(2,91,51,930)	(1,99,77,810)
Contribution from CAC Holdings by way of SBLC Indemnification	1,46,24,000	
Profit /(Loss) For The Year	1,42,60,605	(91,74,120)
Total	(2,67,324)	(2,91,51,930)
2.9 Borrowings		
Non-current		
Unsecured		
Loans and advances from related parties	-	
Total	-	
Current		
Secured:		
-Working capital demand loan		
-Short term loan	-	
Loans and advances from related parties	-	1,16,11,158
-Cash credit	-	1,39,33,230
Total	-	2,55,44,388
2.10 Provisions		
Long term Provision		
Provisions for employee benefits		
Gratuity	-	7,06,360
Compensated absences	-	5,44,770
Total	-	12,51,130
Short term Provision		
Provisions for employee benefits		
Gratuity	-	1,69,912
Compensated absences	-	95,499
Total	-	2,65,411
2.11 Trade payables		
Dues other than MSMED	-	24,45,531
Total	-	24,45,531
2.12 Other financial liabilities		
Employee related payables	-	7,22,636
Other accrued liabilities	2,23,494	16,16,057
Total	2,23,494	23,38,693
2.13 Other current liabilities		
Unearned service revenue	-	9,81,712
Other Advances (Advances from Customers)	-	9,92,250
Statutory dues payable	-	-
Total	-	19,73,962

Inspirisys Solutions DMCC, UAE

3. Notes to the Statement of Profit and Loss account for Year ended 31 March 2024 (All amounts in AED , unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
3.1 Revenue from operations		
Traded goods	12,44,744	31,61,820
Sale of services	15,77,172	53,83,082
Revenue from operations (net)	28,21,916	85,44,902
3.2 Other income		
Interest income on Bank deposits		
Exchange differences (net)		
Other non-operating income	2,10,62,082	0
Liability no longer required written back		
Total	2,10,62,082	0
3.3 Purchase of traded goods		
Traded purchases less returns	11,21,749	22,35,466
Total	11,21,749	22,35,466
3.4 Cost of Services		
Sub-contracting and outsourcing cost	14,39,934	31,73,415
	14,39,934	31,73,415
3.5. (Increase)/decrease in inventories		
Inventories at the end of the year		
Stock in Trade	-	1,000
-	-	1,000
Inventories at the beginning of the year		
Stock in Trade	1,000	1,000
	1,000	1,000
Net (Increase) / decrease in Inventories	1,000	-
3.6 Employee benefits expense		
Salaries, wages and bonus	17,79,552	47,39,666
Gratuity expense	55,968	1,35,191
Staff welfare expenses	827	71,396
Total	18,36,347	49,46,254

Inspirisys Solutions DMCC, UAE

3. Notes to the Statement of Profit and Loss account for Year ended 31 March 2024 (All amounts in AED , unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
3.7 Other expenses		
Rent	97,165	1,45,070
Power and fuel	4,500	17,910
Bad debts written off	21,41,838	14,34,778
Leased premises		
Others	57,674	63,179
Insurance	2,13,345	3,15,668
Rates and taxes	1,07,474	74,396
Communication costs	34,293	1,10,935
Travelling and conveyance	1,17,108	2,01,403
Printing and stationery	1,017	2,846
Exchange differences (net)	32,125	-52,540
Legal and professional fees	8,31,040	31,30,469
Miscellaneous expenses	24,091	14,329
Total	<u>36,61,670</u>	<u>54,58,442</u>
3.8 Depreciation and amortization expense		
Depreciation of tangible assets	6,913	11,588
Total	<u>6,913</u>	<u>11,588</u>
3.9 Finance costs		
Interest	15,55,780	18,93,857
Total	<u>15,55,780</u>	<u>18,93,857</u>

INSPIRISYS SOLUTIONS DMCC, UAE

Notes to the Financial Statements (continued)
 (All amounts in AED, unless otherwise stated)
 For the period ended March 31, 2024

2.0 Fixed Assets

Cost	Tangible Assets			Intangible Assets			Total	
	Air Conditioners	Furniture & fixtures	Office equipments	CARAVAN	Computers	Leasehold Improvements		Computer Software
As at April 1, 2023	3,897	5,24,537.06	1,23,659	96,900	2,00,772	24,000	23,07,300	32,81,065
Additions during the year	-	-	-	-	250	-	-	250
Sold / Discarded during the year	-3,897	-5,24,537	-1,23,659	-96,900	-2,01,022	-24,000	-23,07,300	-32,81,315
As at Mar 31, 2024	-	-	-	-	-	-	-	-
<i>Accumulated depreciation</i>								
As at April 1, 2023	(3,897)	(5,24,537)	(1,22,903)	(61,597)	(2,00,772)	(24,000)	(23,07,300)	(32,44,805)
Depreciation for the year	-	-	(757)	(21,222)	(250)	-	-	(22,229)
Depreciation Reversal	3,897	5,24,537	1,23,659	82,619	2,01,022	24,000	23,07,300	32,67,034
As at Mar 31, 2024	-	-	-	-	-	-	-	(15,316)
<i>Net book value</i>								
As at Mar 31, 2024	-	-	-	-	-	-	-	-0
As at March 31, 2023	-	0	756	35,503	0	-	-	36,260

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 31ST March 2024.

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 5th 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.10th October, 2005 & 9th October, 2005 respectively effective from 5th 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, 2023	3.00	(291.52)	(288.52)
Profit/(Loss) for the Year		142.60	142.60
Contribution from Ultimate Holding Company - CAC HD		146.24	146.24
Balance as at March 31, 2024	3.00	(2.67)	0.32

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 December 30, 2023 were Nil.

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

Name of the Party	Nature of Relationship
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. 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)	5.99 (1.36)
Guarantee Fees Paid	0.70 (0.70)	Nil Nil	Nil Nil
Payables	2.27 (1.52)	Nil (25.07)	Nil (102.77)
Maximum Amount Outstanding at any time During the year	2.27 (1.52)	25.07 (25.07)	146.74 (102.77)

Amounts shown in parenthesis represents previous year figures (31 March 2023)

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 2024.

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:

	2024	2023
Statutory Audit	Nil	Nil

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 Voluntary Liquidation

The management has decided to voluntarily windup and liquidate the company on account of continued losses over the past years particularly after COVID. Accordingly, the business that was carried out has been suspended and started settling the liabilities due. The company is in the process of filing necessary application with the local regulatory authorities seeking the approval for liquidation. The amounts guaranteed by CAC HD, the ultimate holding company to ENBD Bank for the financial facilities enjoyed by the company has been indemnified by CAC HD in favour of the bank and had remitted AED 1,46,24,000. The amount so remitted into the bank account to settle the liability has been treated as other equity in the financial statements of the company. The financial statements as at 31st March 2024 represent the realizable assets and payable liabilities as on that date. Non recoverable assets and liabilities that are no longer payable have been given suitable treatment in the P & L account for the period ended 31st March 2024.

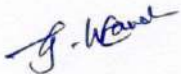
1.16. Comparative Figures:

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 M R Narain & Co. Chartered Accountants

Firm Registration No. : 002330S



G Chandrasekaran
Membership No. 208546



For and On behalf of the Board


Director
Director

Chennai, India
Date: 09th May 2024