**ISL/SS/SE/12/2021-2022**
**1st June, 2021**

The National Stock Exchange of India Ltd.
Exchange Plaza
Bandra Kurla Complex
Bandra East
Mumbai 400 051

Dear Sir / Madam

**Sub: Clarification for Financial results – INSPIRISYS**
**Ref.: Email from NSE dated 27th May, 2021**

We acknowledge the receipt of your email.

With reference to the Audited Financial Results submitted for the period ended 31st March, 2021 on 10th May, 2021 we inform that we inadvertently missed out to provide the following details:

1. Name and designation of signatory on signing page.
2. Note on balancing figure as per Reg 33(3)(e).

We are attaching herewith updated financial results after including the above missed out details.

Regret for the inconvenience caused in this regard.

Please take the same on record.

Thanking You.

Yours faithfully,

**For Inspirisys Solutions Limited**

SHANMUGAM SUNDARAMURTHY

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DN: c=IN, o=Personal, pseudonym=e30930d92f0c462ef76ecb90ed1175c659c538c0f1354a0f60963e4a7c1ed3a6, postalCode=600017, st=TAMIL NADU, serialNumber=c1645d73096a9ca75964941d9367897df4592a1c24041c8d691a5746cc873f69, cn=SHANMUGAM SUNDARAMURTHY
Date: 2021.05.31 18:53:43 +05'30'

**S.Sundaramurthy**
**Company Secretary and Compliance Officer**

Encl: as above



**Inspirisys Solutions Limited,** Regd. Office: First Floor, Dowlath Towers, Taylor's Road, Kilpauk, Chennai – 600 010, Tamil Nadu, India. Ph: 044-4225 2000
www.inspirisys.com | reachus@inspirisys.com | CIN: L30006TN1995PLC031736

**ISL/SS/SE/09/2021-2022**
**10th May, 2021**

The National Stock Exchange of India Ltd.
Exchange Plaza
Bandra-Kurla Complex
Bandra East
Mumbai 400 051

BSE Ltd.
P.J. Towers
Dalal Street
Mumbai 400 001

Dear Sir / Madam,

**Sub**: **Outcome of the Board Meeting**.

With reference to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we wish to inform you that, as required in terms of Regulation 30, 33 and other applicable provisions of Listing Regulations, the board of directors of Inspirisys Solutions Limited at its meeting held on 10th May, 2021 has inter alia:

1. Considered and approved the Standalone and Consolidated Audited Financial Results along with Statement of Assets & Liabilities for the period ended 31st March, 2021 on the recommendation of the Audit Committee.

2. Considered and approved the Audit Report.

3. Considered the Statement on Impact of Audit Qualification for the financial year ended 31st March, 2021 in respect to Standalone & Consolidated Audited Financial Statement.

It is further informed that the board meeting commenced at 2:00 PM and ended at 8:00 PM.

Kindly take the same on record and disseminate the said information to the public.

**For Inspirisys Solutions Limited**

SHANMUGAM SUNDARAMURTHY

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Date: 2021.05.10 19:59:30 +05'30'

**S.Sundaramurthy**
**Company Secretary & Compliance Officer**

Encl: as above

**Inspirisys Solutions Limited**
Regd Office : First Floor, Dowlath Towers, New Door Nos 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai 600 010
CIN No: L30006TN1995PLCO31736

**Statement of Financial results for the year and the quarter ended 31 March 2021**

*₹ in Lakhs*

| S.No | Particulars | Standalone | | | | |
|---|---|---|---|---|---|---|
| | | Quarter ended | | | Year ended | |
| | | 31 March 2021 | 31 December 2020 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1 | Revenue from operations | 7,666 | 11,062 | 7,454 | 32,633 | 34,520 |
| 2 | Other income | 227 | 24 | 200 | 462 | 883 |
| 3 | **Total revenue (1+2)** | **7,893** | **11,086** | **7,654** | **33,095** | **35,403** |
| 4 | **Expenses** | | | | | |
| | Cost of raw material and components consumed | 6 | 4 | 37 | 70 | 225 |
| | Purchases of stock-in-trade and stores and spares | 2,559 | 5,593 | 1,247 | 11,988 | 13,138 |
| | Changes in inventories of Stock-in-trade and stores and spares | (10) | 41 | 771 | 88 | 288 |
| | Employee benefits expense | 2,302 | 2,348 | 2,173 | 8,927 | 8,481 |
| | Impairment losses | 140 | 83 | 394 | 373 | 619 |
| | Other expenses | 2,378 | 2,552 | 2,586 | 10,044 | 9,663 |
| 5 | **Total Expenses** | **7,375** | **10,621** | **7,208** | **31,490** | **32,414** |
| 6 | **Profit before finance cost, depreciation and amortization expenses (3-5)** | **518** | **465** | **446** | **1,605** | **2,989** |
| | Finance costs | 142 | 117 | 321 | 696 | 1,256 |
| | Depreciation and amortization expense | 177 | 170 | 205 | 669 | 764 |
| 7 | **Profit / (loss) before tax** | **199** | **178** | **(80)** | **240** | **969** |
| 8 | Tax expense: | - | | | | |
| | Current tax | 154 | 38 | 77 | 192 | 312 |
| 9 | **Profit/ (loss) for the period / year (7-8)** | **45** | **140** | **(157)** | **48** | **657** |
| 10 | **Other comprehensive income** | | | | | |
| | ***i) Items that will not be reclassified to profit or loss*** | | | | | |
| | - Re-measurement gains/(losses) on defined benefit plans | 43 | (15) | 64 | (64) | 64 |
| | - Income tax relating to items that will not be reclassified to profit or loss | (5) | 18 | (11) | 13 | (11) |
| | ***i) Items that will be reclassified to profit or loss*** | | | | | |
| | - Exchange difference on translation of foreign operations | 5 | (7) | - | (33) | - |
| | - Income tax relating on translation of foreign operations | - | 7 | - | 7 | - |
| 11 | **Other comprehensive income for the period, net of tax** | **43** | **3** | **53** | **(77)** | **53** |
| 12 | **Total comprehensive income for the period / year (9+11)** | **88** | **143** | **(104)** | **(29)** | **710** |
| 13 | **Earnings per equity share (Profit / (loss) after tax)** | | | | | |
| | Basic (in ₹) (Face value of ₹ 10 each) (Not annualised) | 0.11 | 0.35 | (0.41) | 0.12 | 1.72 |
| | Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised) | 0.11 | 0.35 | (0.41) | 0.12 | 1.72 |

MALCOLM FARROKH MEHTA

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**Note**

1 The above financial results as reviewed by the Audit Committee were approved and taken on record by the Board at its meeting held on 10 May 2021.

2 The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India which is now going through the second wave. This has impacted the economic activity and has disrupted businesses across all sectors. The Government has extended the various measures to combat the virus including lock down that continues. Overall operations of the Company both in India and other geographies where the Company operates has been curtailed considerably since March 2020. This is reflected in the business performance across all geographies. The continuing impact of COVID-19 on the Company's operations and financial performance is dependent on how the situation evolves, which under the current circumstances is highly uncertain. The Company has, to the extent possible, considered the likely effects due to the COVID-19 pandemic in the preparation of these interim financial results for the quarter ended 31 March 2021.
As per the Company's assessment which is based on the use of internal and external sources of information, the Company does not expect any significant impact on carrying amounts of financial and non-financial assets. The Company will continue to monitor changes in future economic conditions and take appropriate actions. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.
The Company is following the Government protocols on workplace safety, work-from-home and back-to-office guidelines.

3 The Company has a trade receivable of ₹ 3,200 Lakhs as on 31 March 2021 from one of its subsidiary company Inspirisys Solutions North America, Inc (ISNA). The balance reflects accumulation of receivables since 2016-17. ISNA the wholly owned subsidiary of Inspirisys Solutions Limited (ISL), India is the marketing arm for the offshore services offered and delivered to the US customers of ISNA from ISL India. ISNA has been working with customers in North America and have been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represents services performed and billed on ISNA over the years in respect of offshore services for the clients of ISNA. The Management is working on turning around the business performance of ISNA and are hopeful of generating profits to pay ISL India against the trade receivables and to this effect have drawn up business plans for the subsidiary for the next few years. In view of the above, the Management considers not making any provision towards any expected credit loss against these Accounts Receivable from ISNA including GST liability if any on such export receivables together with interest thereon as we are hopeful of collecting the dues from ISNA.

4 The Company has an investment of Rs 373 Lakhs in a subsidiary named Inspirisys Solutions North America Inc, USA (ISNA) as on 31 March 2021. ISNA the wholly owned subsidiary of Inspirisys Solutions Limited (ISL), India is the marketing arm for the offshore services offered and delivered to the US customers of ISNA from ISL India. ISNA has been working with customers in North America and have been engaging them for onsite business in the US and offshore business for ISL India. The company continues to have onsite employees placed on various customer projects and have continuing contracts for onsite and offshore work.
The Company had in accordance with Ind AS 36 - "Impairment of Assets", carried out impairment assessment of its investment in ISNA. The Company has performed the impairment assessment and determined the value in use based on estimated cash flow projections. The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared for ISNA. Considering the significant uncertainties arising from ongoing Covid19 pandemic the Company, as a matter of prudence, has recognised in accordance with Ind AS 36 – Impairment of Assets a provision for the carrying value of investment of Rs 373 lacs in the Standalone financial statements as on 31 March 2021. Consequent to the impairment provision being made on the carrying value of investments in ISNA, the Goodwill amounting to Rs 98 Lacs as on 31 March 2021 that is carried in the Consolidated Financials is also being impaired and provided.

5 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund, Gratuity and Leave liability. The Ministry of Labour and Employment has released draft rules for the Code on Social Security 2020 on 13 November 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The effective date from which the changes are applicable is yet to be notified by the Government. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

6 The consolidated financial statement results comprises the financial results of the company and its subsidiaries

7 With respect to financial results, the figure for the quarter ended 31 March 2021 and 31 March 2020 represents the difference between the audited figure in respect of full financial year and published figure for the nine months ended 31 December 2020 and 31 December 2019 respectively

8 The figures for the corresponding previous periods have been regrouped / reclassified wherever considered necessary to conform to the figures presented in the current period.

**Place:** Chennai
**Date:** 10 May 2021

**for Inspirisys Solutions Limited**

MALCOLM FARROKH MEHTA
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**Malcolm F. Mehta**
**Chairman & Chief Executive officer**

**Inspirisys Solutions Limited**
Regd Office : First Floor, Dowlath Towers, New Door Nos 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai 600 010
CIN No: L30006TN1995PLCO31736

**Statement of Financial results for the year and the quarter ended 31 March 2021**

*₹ in Lakhs*

| S.No | Particulars | Consolidated | | | | |
|---|---|---|---|---|---|---|
| | | Quarter ended | | | Year ended | |
| | | 31 March 2021 | 31 December 2020 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| | | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| 1 | Revenue from operations | 9,289 | 13,210 | 9,731 | 40,370 | 45,849 |
| 2 | Other income | 266 | 31 | 270 | 542 | 977 |
| 3 | **Total revenue (1+2)** | **9,555** | **13,241** | **10,001** | **40,912** | **46,826** |
| 4 | **Expenses** | | | | | |
| | Cost of raw material and components consumed | 6 | 4 | 37 | 70 | 225 |
| | Purchases of stock-in-trade and stores and spares | 2,692 | 5,698 | 1,307 | 13,035 | 15,109 |
| | Changes in inventories of Stock-in-trade and stores and spares | 130 | 178 | 771 | 369 | 288 |
| | Employee benefits expense | 3,158 | 3,412 | 3,310 | 12,541 | 12,590 |
| | Impairment losses | (111) | 116 | 127 | 155 | 590 |
| | Other expenses | 2,971 | 3,370 | 3,699 | 13,152 | 15,276 |
| 5 | **Total Expenses** | **8,846** | **12,778** | **9,251** | **39,322** | **44,078** |
| 6 | **Profit before finance cost, depreciation and amortization expenses (3-5)** | **709** | **463** | **750** | **1,590** | **2,748** |
| | Finance costs | 198 | 196 | 349 | 991 | 1,414 |
| | Depreciation and amortization expense | 191 | 173 | 215 | 693 | 781 |
| 7 | **Profit / (loss) before tax** | **320** | **94** | **186** | **(94)** | **553** |
| 8 | Tax expense: | | | | | |
| | Current tax | 154 | 38 | 77 | 192 | 312 |
| 9 | **Profit / (loss) for the period / year (7-8)** | **166** | **56** | **109** | **(286)** | **241** |
| 10 | **Other comprehensive income** | | | | | |
| | ***i) Items that will not be reclassified to profit or loss*** | | | | | |
| | - Re-measurement gains/(losses) on defined benefit plans | 43 | (15) | 64 | (64) | 64 |
| | - Income tax relating to items that will not be reclassified to profit or loss | (5) | 18 | (11) | 13 | (11) |
| | ***i) Items that will be reclassified to profit or loss*** | | | | | |
| | - Exchange difference on translation of foreign operations and subsidiaries | 65 | 3 | (249) | 94 | (406) |
| | - Exchange difference on translation of foreign operations and subsidiaries | - | 7 | - | 7 | - |
| 11 | **Other comprehensive income for the period, net of tax** | **103** | **13** | **(196)** | **50** | **(353)** |
| 12 | **Total comprehensive income for the period / year (9+11)** | **269** | **69** | **(87)** | **(236)** | **(112)** |
| 13 | **Earnings per equity share ((loss) / profit after tax** | | | | | |
| | Basic (in ₹) (Face value of ₹ 10 each) (Not annualised) | 0.42 | 0.14 | (0.29) | (0.72) | 0.63 |
| | Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised) | 0.42 | 0.14 | (0.29) | (0.72) | 0.63 |

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**Inspirisys Solutions Limited**
Regd Office : First Floor, Dowlath Towers, New Door Nos 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai 600 010
CIN No: L30006TN1995PLCO31736

**Statement of Financial position as at 31 March 2021**

*₹ in Lakhs*

| | *Standalone* | | *Consolidation* | |
|---|---|---|---|---|
| | As at | As at | As at | As at |
| **Particulars** | **31 March 2021** | **31 March 2020** | **31 March 2021** | **31 March 2020** |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 551 | 549 | 562 | 571 |
| Goodwill | 542 | 542 | 542 | 640 |
| Other Intangible assets | 54 | 183 | 54 | 187 |
| Intangible assets under development | 426 | 235 | 426 | 235 |
| Right of use asset | 525 | 833 | 525 | 833 |
| Financial assets | | | | |
| - Investments | 120 | 493 | - | - |
| - Trade receivables | 38 | 28 | 38 | 28 |
| - Bank balances | 772 | 833 | 772 | 833 |
| - Other financial assets | 351 | 582 | 374 | 625 |
| Income tax assets (net) | 3,644 | 5,409 | 3,644 | 5,409 |
| Other non-current assets | 485 | 586 | 520 | 750 |
| | **7,508** | **10,273** | **7,457** | **10,111** |
| **Current assets** | | | | |
| Inventories | 597 | 715 | 597 | 996 |
| Financial assets | | | | |
| - Trade receivables | 10,859 | 12,194 | 9,376 | 13,285 |
| - Cash and cash equivalents | 2,697 | 1,222 | 3,082 | 1,538 |
| - Loans | 259 | 244 | - | - |
| - Other financial assets | 483 | 337 | 496 | 349 |
| Other current assets | 2,669 | 3,259 | 3,738 | 4,431 |
| | **17,564** | **17,971** | **17,289** | **20,599** |
| **Total Assets** | **25,072** | **28,244** | **24,746** | **30,710** |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity share capital | 3,962 | 3,962 | 3,962 | 3,962 |
| Other equity | 3,242 | 3,271 | (2,434) | (2,198) |
| **Total equity** | **7,204** | **7,233** | **1,528** | **1,764** |
| | | | | |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Financial liabilities | | | | |
| - Borrowings | 47 | 4,544 | 286 | 5,792 |
| - Lease liability | 379 | 599 | 379 | 599 |
| Provisions | 640 | 566 | 838 | 789 |
| | **1,066** | **5,709** | **1,503** | **7,180** |
| **Current liabilities** | | | | |
| **Financial liabilities** | | | | |
| Financial liabilities | | | | |
| - Borrowings | 2,800 | 5,713 | 3,309 | 7,211 |
| - Lease liability | 225 | 294 | 225 | 294 |
| - Trade payables | | | | |
| Total outstanding dues of micro and small enterprises | 710 | 49 | 710 | 49 |
| Total outstanding dues of creditors other than micro and small enterprises | 4,732 | 4,935 | 5,225 | 5,664 |
| - Other financial liabilities | 5,924 | 1,882 | 8,126 | 3,661 |
| Other current liabilities | 2,262 | 2,340 | 3,853 | 4,756 |
| Provisions | 149 | 89 | 267 | 131 |
| | **16,802** | **15,302** | **21,715** | **21,766** |
| **Total liabilities** | **17,868** | **21,011** | **23,218** | **28,946** |
| **Total equity and liabilities** | **25,072** | **28,244** | **24,746** | **30,710** |

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**Inspirisys Solutions Limited**
Regd Office : First Floor, Dowlath Towers, New Door Nos 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai 600 010.
CIN No: L30006TN1995PLCO31736

**Statement of Cash Flows for the year ended 31 March 2021**

*₹ in Lakhs.*

| Particular | *Standalone* | | *Consolidated* | |
|---|---|---|---|---|
| | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2021 | As at 31 March 2020 |
| **A.Cash flow from operating activities** | | | | |
| Profit / (loss) before tax | **240** | **969** | **(94)** | **553** |
| **Adjustments for:** | | | | |
| Depreciation and amortization expense | 669 | 764 | 693 | 781 |
| Interest expense (including changes in financial instruments) | 696 | 1,112 | 991 | 1,271 |
| Interest Income | (75) | (128) | (46) | (99) |
| Impairment losses | 373 | 619 | 155 | 590 |
| Provision for inventory obsolescence | 292 | 226 | 292 | 226 |
| Provision for gratuity and compensated absences | 78 | (8) | 145 | 55 |
| Net unrealised foreign exchange loss / (gain) | 14 | (15) | (106) | 357 |
| Reversal of provision for warranty | (8) | (72) | (8) | (72) |
| Liabilities no longer required written back | (142) | (418) | (142) | (528) |
| Bad Debts Recovered | - | (79) | - | (79) |
| Profit On Sale of Property Plant and Equipment | (2) | (2) | (2) | (2) |
| Interest on income tax refund | (177) | (35) | (177) | (35) |
| **Operating profit before working capital changes** | **1,958** | **2,933** | **1,701** | **3,018** |
| (Increases) / decrease in inventories | (174) | 59 | (174) | 59 |
| Decrease in trade receivables | 1,234 | 4,031 | 3,797 | 7,327 |
| Decrease in other financial assets | 108 | 42 | 125 | 43 |
| Decrease/(Increase) in other non-current assets | 101 | (116) | 230 | (217) |
| Decrease / (Increase) in other current assets | 590 | (289) | 835 | 579 |
| Increase / (Decrease) in trade payables | 458 | (421) | (468) | (4,291) |
| (Decrease)/Increase in other financial liabilities | (207) | 133 | 1,037 | (130) |
| (Decrease) in other current liabilities | (78) | (538) | (938) | (1,053) |
| **Cash generated from operating activities** | **3,990** | **5,834** | **6,145** | **5,335** |
| Direct taxes refund / (paid), net | 1,770 | (1,096) | 1,770 | (1,097) |
| **Net cash generated from operating activities** | **5,760** | **4,738** | **7,915** | **4,238** |
| **B. Cash flow from investing activities** | | | | |
| Purchase of property, plant and equipment and intangible assets | (455) | (480) | (456) | (492) |
| Proceeds From sale of Property Plant and Equipment and other Intagible assets | 2 | 2 | 2 | 2 |
| Interest received | 43 | 60 | 43 | 60 |
| Repayment of loans to Related Parties | - | (6) | (4) | - |
| Net movement in bank deposits | 61 | 133 | 61 | 133 |
| **Net cash used in investing activities** | **(349)** | **(291)** | **(354)** | **(297)** |
| **C. Cash flow from financing activities** | | | | |
| Proceeds/(Repayment of) from long term borrowings, net | (16) | 60 | (813) | 177 |
| Repayment of short term borrowings, net | (2,913) | (5,556) | (3,889) | (5,294) |
| Transfer to Investor Education and Protection Fund | - | (1) | - | (1) |
| Proceeds from issue of equity shares | - | 3,055 | - | 3,055 |
| Payment of lease liabilities (including interest) | (374) | (405) | (374) | (405) |
| Interest paid | (625) | (1,015) | (932) | (1,169) |
| **Net cash used in financing activities** | **(3,928)** | **(3,862)** | **(6,008)** | **(3,637)** |
| **D. Net change in cash and cash equivalents** | 1,483 | 585 | 1,553 | 304 |
| E. Cash and cash equivalents at the beginning | 1,222 | 620 | 1,538 | 1,180 |
| Effects of foreign currency translation | (8) | 17 | (9) | 54 |
| **F. Cash and cash equivalents at the end** | **2,697** | **1,222** | **3,082** | **1,538** |
| **Cash and cash equivalents include** | | | | |
| Cash on hand | 5 | 6 | 11 | 8 |
| Balances with banks in current accounts | 2,692 | 1,216 | 3,071 | 1,530 |
| **Cash and cash equivalents** | **2,697** | **1,222** | **3,082** | **1,538** |

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**Inspirisys Solutions Limited**
Regd Office : First Floor, Dowlath Towers, New Door Nos 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai 600 010.
CIN No: L30006TN1995PLCO31736

**Segment-wise Revenue, Result, Assets and Liabilities**

***₹ in Lakhs.***

| Particulars | Consolidated | | | | |
|---|---|---|---|---|---|
| | Quarter ended | | | Year to date | |
| | 31 March 2021 | 31 December 2020 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| **1. Segment Revenue** | | | | | |
| Systems Integration | 2,912 | 6,144 | 2,444 | 13,964 | 16,445 |
| Services | 5,889 | 6,606 | 6,797 | 24,883 | 27,475 |
| Warranty Management Services | 488 | 460 | 490 | 1,523 | 1,929 |
| Training | - | - | - | - | - |
| **Revenue from Operations (Net)** | **9,289** | **13,210** | **9,731** | **40,370** | **45,849** |
| | | | | | |
| **2. Segment result** | | | | | |
| Systems Integration | 33 | (39) | (438) | (161) | (564) |
| Services | 648 | 944 | 838 | 2,890 | 3,560 |
| Warranty Management Services | (65) | (79) | 41 | (548) | 74 |
| Training | - | | (5) | - | (8) |
| **Total** | **616** | **826** | **436** | **2,181** | **3,062** |
| (i)Interest expenses | (198) | (196) | (349) | (991) | (1,414) |
| (ii)Other unallocable expenses | (364) | (567) | (171) | (1,826) | (2,072) |
| Other income | 266 | 31 | 270 | 542 | 977 |
| **Profit / (loss) before tax** | **320** | **94** | **186** | **(94)** | **553** |
| | | | | | |
| **3. Segment Assets** | | | | | |
| Systems Integration | 6,096 | 8,599 | 4,924 | 6,096 | 4,924 |
| Services | 11,549 | 13,735 | 16,083 | 11,549 | 16,083 |
| Warranty Management Services | 879 | 909 | 874 | 879 | 874 |
| Training | 35 | 40 | 42 | 35 | 42 |
| Unallocated | 6,187 | 6,467 | 8,787 | 6,187 | 8,787 |
| **Total Assets** | **24,746** | **29,750** | **30,710** | **24,746** | **30,710** |
| | | | | | |
| **3. Segment Liabilities** | | | | | |
| Systems Integration | 6,396 | 9,766 | 4,989 | 6,396 | 4,989 |
| Services | 9,071 | 9,806 | 10,283 | 9,071 | 10,283 |
| Warranty Management Services | 582 | 581 | 621 | 582 | 621 |
| Training | 3 | 3 | 2 | 3 | 2 |
| Unallocated | 7,166 | 8,335 | 13,051 | 7,166 | 13,051 |
| **Total Liabilities** | **23,218** | **28,491** | **28,946** | **23,218** | **28,946** |

MALCOLM FARROKH MEHTA
Digitally signed by MALCOLM FARROKH MEHTA
Date: 2021.05.10 17:41:18 +05'30'

Walker Chandiok &Co LLP

**Walker Chandiok & Co LLP**
9th floor, A wing, Prestige Polygon,
471 Anna Salai, Mylapore Division,
Teynampet,
Chennai – 600 035
Tamil Nadu, India
T +91 44 4294 0099
F +91 44 4294 0044

**Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Inspirisys Solution Limited**

**Qualified Opinion**

1. We have audited the accompanying standalone annual financial results ('the Statement') of Inspirisys Solution Limited ('the Company') for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the branch auditors as referred to in paragraph 13 below, the Statement:

   i. presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the possible effects of the matters described in paragraph 3 below and

   ii. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31st March 2021 except for the possible effects of the matters described in paragraph 3 below.



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**Basis for Qualified Opinion**

3. As detailed in Note 3 to the standalone financial results, the Company has reported an amount of ₹3,200 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 March 2021 which are significantly over-due. Further, due to non-realization of aforesaid trade receivables within the prescribed time limit in accordance with sub rule 1 of 96A of CGST rules, the Company is liable to pay Goods and Service Tax (GST) liability along with interest and penalty on such export sales. The management is confident of recovering the aforesaid receivables from the subsidiary based on the business plans as detailed out in the management note and accordingly, no expected credit loss provision has been made against such long outstanding receivables under Ind AS 109, Financial Instruments and no provision is recognized towards aforesaid GST liability including interest and penalty. However, in the absence of sufficient appropriate audit evidence regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the recoverability of the carrying value of the said trade receivables as at 31 March 2021 and impact on Goods and Service Tax liability, including penalty and interest that may be levied, and the consequential impact thereof, if any, on the accompanying Statement.

4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the branch auditors, in terms of their reports referred to in paragraph 13 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

**Responsibilities of Management and Those Charged with Governance for the Statement**

5. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

6. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Statement**

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

   - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

   - Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Statement. For the branch included in the Statement, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

12. The Statement includes the financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

13. We did not audit the financial information of a branch included in the Statement, whose financial information reflects total assets of ₹ 767 Lakhs as at 31 March 2021, and total revenues of ₹ 537 Lakhs ,total net profit after tax of ₹ 75 Lakhs and total comprehensive income of ₹ 75 Lakhs and cash flows net inflow of ₹ 68 Lakhs, as considered in the Statement. These financial statements have been audited by the branch auditors, whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the audit report of such branch auditor.

    Further, the branch is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by branch auditor under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial statements of such branches from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion on the standalone financial statements, in so far as it relates to the balances and affairs of such branch, is based on the report of branch auditor and the conversion adjustments prepared by the management of the Company and audited by us.

    Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the branch auditor

**For Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

**Sumesh E S**
Partner
Membership No. 206931
UDIN: 21206931AAAABG3396

**Place:** Chennai
**Date:** 10 May 2021

Walker Chandiok & Co LLP

**Walker Chandiok & Co LLP**
9th floor, A wing, Prestige Polygon,
471 Anna Salai, Mylapore Division,
Teynampet,
Chennai – 600 035
Tamil Nadu, India
T +91 44 4294 0099
F +91 44 4294 0044

**Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Inspirisys Solutions Limited**

**Qualified Opinion**

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Inspirisys Solution Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2021, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statement of the subsidiaries, as referred to in paragraph 13 below, the Statement:

   (i) includes the annual financial results of the following entities.
   a) Inspirisys Solutions DMCC,
   b) Inspirisys Solutions Europe Ltd
   c) Inspirisys Solutions IT resources Ltd
   d) Inspirisys Solutions Japan Kabushiki Kaisha
   e) Inspirisys Solutions North America Inc.,
   f) Network Programs USA Inc.,

   (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the possible effects of the matter described in paragraph 3 below

   (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'). read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2021, except for the possible effects of the matter described in paragraph 3 below.



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**Basis for Qualified Opinion**

3. As detailed in Note 3 to the accompanying statement, the holding company has reported an amount of ₹ 3,200 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 March 2021. Due to non-realization of aforesaid trade receivables within the prescribed time limit in accordance with sub rule 1 of 96A of CGST rules, the holding company is liable to pay Goods and Service Tax (GST) along with interest and penalty on such export sales, for which no liability has been recognized in the accompanying Statement basis management's assessment of realization of the aforesaid outstanding receivable balances. However, in the absence of sufficient appropriate audit evidences, we are unable to comment upon the impact of Goods and Service Tax liability, including penalty and interest that may be levied and the consequential impact thereof, if any, on the accompanying Statement

4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Statement**

5. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act the respective Board of Directors/Management of the companies included in the Group covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

6. In preparing the Statement, the respective Board of Directors of the companies included in the Group and, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

7. The respective Board of Directors/ management of the companies included in the Group, is responsible for overseeing the financial reporting process of the companies included in the Group.

**Auditor's Responsibilities for the Audit of the Statement**

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
   - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group, to express an opinion on the Statement. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

10. We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

**Other Matter**

13. We did not audit the annual financial results of six subsidiaries included in the Statement, and a branch included in the audited separate annual financial statements of the entities included in the Group, whose financial information reflects total assets of ₹ 5,840 Lakhs as at 31 March 2021, total revenues of ₹ 9,287 Lakhs, total net loss after tax of ₹ 535 Lakhs, total comprehensive loss of ₹ 535 Lakhs, and cash flows net inflow of ₹ 139 Lakhs for the year ended on that date, as considered in the Statement as considered in the respective audited separate annual financial statements of the entities included in the Group.These annual financial statements have been audited by other auditors and branch auditor whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and branch is based solely on the audit reports of such other auditors and branch auditors, and the procedures performed by us as stated in paragraph 12 above.

    Further, the branch is located outside India, whose annual financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by branch auditor under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such branch from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion, in so far as it relates to the balances and affairs of such branch, is based on the audit report of branch auditor and the conversion adjustments prepared by the management of the Company and audited by us.

    Our opinion is not modified in respect of this matters with respect to our reliance on the work done by and the reports of the other auditors.

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2021, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

**For Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

**Sumesh E S**
Partner
Membership No. 206931
UDIN: 21206931AAAABH9361

Place: Chennai
Date: 10 May 2021

# Inspirisys Solutions Limited

## Annexure I

## Statement on Impact of Audit Qualifications

**(For audit report with modified opinion) submitted along-with Annual Audited Financial Results-Standalone for Financial Year March 31, 2021.**

**(Rs. In lacs except earnings per share)**

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 { see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016} | | | | |
|---|---|---|---|---|
| **I.** | **Sl. No.** | **Particulars** | **Audited Figures (as reported before adjusting for qualifications)** | **Audited Figures (audited figures after adjusting for qualifications)** |
| | **1.** | **Turnover / Total Income** | 33,095 | 33,095 |
| | **2.** | **Total Expenditure** | 33,047 | 33,047 |
| | **3.** | **Net profit after tax** | 48 | 48 |
| | **4.** | **Earnings Per Share** | 0.12 | 0.12 |
| | **5.** | **Total Assets** | 25,072 | 25,072 |
| | **6.** | **Total Liabilities** | 17,868 | 17,868 |
| | **7.** | **Net Worth** | 7,204 | 7,204 |
| | **8.** | **Any other financial item(s) (as felt appropriate by the management)** | - | - |
| | | | | |
| **II.** | **Audit Qualification** | | | |
| | | **(a) Details of Audit Qualification:** | **(b) Type of Audit Qualification:** | **(c) Frequency of Qualification** |
| | | | | |
| | (i) | As detailed in Note 7 C to the standalone financial statements (also refer to Note no 3 to the Statement of Financial Results for the year and the quarter ended 31 March 2021 as per Reg 33 of SEBI LODR) , the Company has reported an amount of ₹3,200 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 March 2021 which are significantly over-due. Further, due to non-realization of aforesaid trade receivables within the prescribed time limit in accordance with sub rule 1 of 96A of CGST rules, the Company is liable to pay Goods and Service Tax (GST) liability along with interest and penalty on such export sales. The management is confident of recovering the aforesaid receivables from the subsidiary based on the business plans as detailed out in the management note and accordingly, no expected credit loss provision has been made against such long outstanding receivables under Ind AS 109, Financial Instruments and no provision is recognized towards aforesaid GST liability including interest and penalty. However, in the absence of sufficient appropriate audit evidence regarding the timing and extent of cash flows that will be available with the | Qualified Opinion | Continuing |

| | | | | |
|---|---|---|---|---|
| | | subsidiary to settle these dues, we are unable to comment upon the recoverability of the carrying value of the said trade receivables as at 31 March 2021 and impact on Goods and Service Tax liability, including penalty and interest that may be levied, and the consequential impact thereof, if any, on the accompanying Statement. | | |
| | | | | |

| | | | | |
|---|---|---|---|---|
| | **d.** | **For Audit Qualification(s) where the impact is quantified by the auditor, Management's views:** | Not applicable | |
| | **e.** | **For Audit Qualification(s) where the impact is not quantified by the auditor:** | Not Applicable | |
| | | **(i) Management's estimation on the impact of audit qualification:** | Not applicable | |
| | | **(ii) If management is unable to estimate the impact, reasons for the same:** | The Company has a trade receivable of ₹ 3,200 Lakhs as on 31 March 2021 from one of its subsidiary company Inspirisys Solutions North America, Inc (ISNA). The balance reflects accumulation of receivables since 2016-17. ISNA the wholly owned subsidiary of Inspirisys Solutions Limited (ISL), India is the marketing arm for the offshore services offered and delivered to the US customers of ISNA from ISL India. ISNA has been working with customers in North America and have been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represents services performed and billed on ISNA over the years in respect of offshore services for the clients of ISNA. The Management is working on turning around the business performance of ISNA and are hopeful of generating profits to pay ISL India against the trade receivables and to this effect have drawn up business plans for the subsidiary for the next few years. In view of the above, the Management considers not making any provision towards any expected credit loss against these Accounts Receivable from ISNA including GST liability if any on such export receivables together with interest thereon as we are hopeful of collecting the dues from ISNA. |
| | | **(iii) Auditor's Comments on (i) or (ii) above:** | Due to the uncertainty regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the |

| | | | |
|---|---|---|---|
| | | | recoverability of the carrying value of the said trade receivables as at 31 March 2021 and consequent impact on the financial statements for the year ended 31 March 2021. |

**III** **Signed by:**

For **Walker Chandiok & Co LLP**
**Chartered Accountants**
Firm's Registration No.: 001076N/N500013

**Sumesh E S**
Partner
Membership No. 206931

Place: Chennai
Date: 10 May 2021

For and on behalf of the Board of Directors of
**Inspirisys Solutions Limited**

MALCOLM FARROKH MEHTA
Digitally signed by MALCOLM FARROKH MEHTA
Date: 2021.05.10 18:33:16 +05'30'

**Malcolm F. Mehta**
Chairman & Chief Executive Officer

RAJESH RAMNIKLAL MUNI
Digitally signed by RAJESH RAMNIKLAL MUNI
Date: 2021.05.10 18:25:06 +05'30'

**Rajesh Ramniklal Muni**
Chairman of Audit Committee

MURALI GOPALAKRISHNAN
Digitally signed by MURALI GOPALAKRISHNAN
Date: 2021.05.10 17:34:58 +05'30'

**Murali Gopalakrishnan**
Chief Financial Officer

Place: Chennai / Mumbai
Date: 10 May 2021

# Inspirisys Solutions Limited

## Annexure I

## Statement on Impact of Audit Qualifications

**(For audit report with modified opinion) submitted along-with Annual Audited Financial Results-Standalone for Financial Year March 31, 2021.**

**(Rs. In lacs except earnings per share)**

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 { see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016} | | | | |
|---|---|---|---|---|
| **I.** | **Sl. No.** | **Particulars** | **Audited Figures (as reported before adjusting for qualifications)** | **Audited Figures (audited figures after adjusting for qualifications)** |
| | **1.** | **Turnover / Total Income** | 40,912 | 40,912 |
| | **2.** | **Total Expenditure** | 41,198 | 41,198 |
| | **3.** | **Net profit after tax** | (286) | (286) |
| | **4.** | **Earnings Per Share** | (0.72) | (0.72) |
| | **5.** | **Total Assets** | 24,746 | 24,746 |
| | **6.** | **Total Liabilities** | 23,218 | 23,218 |
| | **7.** | **Net Worth** | 1,528 | 1,528 |
| | **8.** | **Any other financial item(s) (as felt appropriate by the management)** | - | - |
| **II.** | **Audit Qualification** | | | |
| | | **(a) Details of Audit Qualification:** | **(b) Type of Audit Qualification:** | **(c) Frequency of Qualification** |
| | (i) | As detailed in Note 7 C to the consolidated financial statements (also refer to Note no 3 to the Statement of Financial Results for the year and the quarter ended 31 March 2021 as per Reg 33 of SEBI LODR), the holding company has reported an amount of ₹ 3,200 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 March 2021. Due to non-realization of aforesaid trade receivables within the prescribed time limit in accordance with sub rule 1 of 96A of CGST rules, the holding company is liable to pay Goods and Service Tax (GST) along with interest and penalty on such export sales, for which no liability has been recognized in the accompanying Statement basis management's assessment of realization of the aforesaid outstanding receivable balances. However, in the absence of sufficient appropriate audit evidences, we are unable to comment upon the impact of Goods and Service Tax liability, including penalty and interest that may be levied and the consequential impact thereof, if any, on the accompanying Statement. | Qualified Opinion | First time |

| | | | |
|---|---|---|---|
| | **d.** | **For Audit Qualification(s) where the impact is quantified by the auditor, Management's views:** | Not applicable |
| | **e.** | **For Audit Qualification(s) where the impact is not quantified by the auditor:** | Not Applicable |
| | | **(i) Management's estimation on the impact of audit qualification:** | Not applicable |
| | | **(ii) If management is unable to estimate the impact, reasons for the same:** | The Company has a trade receivable of ₹ 3,200 Lakhs as on 31 March 2021 from one of its subsidiary company Inspirisys Solutions North America, Inc (ISNA). The balance reflects accumulation of receivables since 2016-17. ISNA the wholly owned subsidiary of Inspirisys Solutions Limited (ISL), India is the marketing arm for the offshore services offered and delivered to the US customers of ISNA from ISL India. ISNA has been working with customers in North America and have been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represents services performed and billed on ISNA over the years in respect of offshore services for the clients of ISNA. The Management is working on turning around the business performance of ISNA and are hopeful of generating profits to pay ISL India against the trade receivables and to this effect have drawn up business plans for the subsidiary for the next few years. In view of the above, the Management considers not making any provision towards any expected credit loss against these Accounts Receivable from ISNA including GST liability if any on such export receivables together with interest thereon as we are hopeful of collecting the dues from ISNA. |
| | | **(iii) Auditor's Comments on (i) or (ii) above:** | Due to the uncertainty regarding implication of non compliance with respect to sub rule 1 of 96A of CGST rules, we unable to comment upon implication as at 31 March 2021. |
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|---|---|
| III | **Signed by:** |

For **Walker Chandiok & Co LLP**
**Chartered Accountants**
Firm's Registration No.: 001076N/N500013

**Sumesh E S**
Partner
Membership No. 206931

Place: Chennai
Date: 10 May 2021

For and on behalf of the Board of Directors of
**Inspirisys Solutions Limited**

MALCOLM FARROKH MEHTA
Digitally signed by MALCOLM FARROKH MEHTA
Date: 2021.05.10 18:32:09 +05'30'

**Malcolm F. Mehta**
Chairman & Chief Executive Officer

RAJESH RAMNIKLAL MUNI

**Rajesh Ramniklal Muni**
Chairman of Audit Committee

MURALI GOPALAKRISHNAN
Digitally signed by MURALI GOPALAKRISHNAN
Date: 2021.05.10 17:35:40 +05'30'

**Murali Gopalakrishnan**
Chief Financial Officer

Place: Chennai / Mumbai
Date: 10 May 2021