

ISL/SS/SE/23/2020-2021
10th August, 2020

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 (Formerly Accel Frontline Limited) at its meeting held on 10th August, 2020 has inter alia

1. Considered and approved the Standalone and Consolidated Unaudited Financial Results for the quarter ended 30th June, 2020 on the recommendation of the Audit Committee.
2. A copy of the Limited Review Report from the Auditors for the period ended 30th June, 2020.

It is further informed that the board meeting commenced at 10:30 AM and ended at 04:30 PM.

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

**For Inspirisys Solutions Limited
(Formerly Accel Frontline Limited)**



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



Encl: as above

Inspirsys Solutions Limited (Formerly known as Accel Frontline 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 quarter ended 30 June 2020

S.No	Particulars	Standalone			
		Quarter ended		Year ended	
		30 June 2020	31 March 2020	30 June 2019	31 March 2020
		(Unaudited)	(Audited) refer note 3	(Unaudited)	(Audited)
1	Revenue from operations	5,528	7,454	13,304	34,520
2	Other income	177	200	256	883
3	Total revenue (1+2)	5,705	7,654	13,560	35,403
4	Expenses				
	Cost of raw material and components consumed	46	37	135	225
	Purchases of stock-in-trade and stores and spares	936	1,247	7,368	13,138
	Changes in inventories of Stock-in-trade and stores and spares	(61)	771	163	288
	Employee benefits expense	2,127	2,173	2,144	8,481
	Impairment losses	102	394	42	619
	Other expenses	2,150	2,586	2,489	9,663
5	Total Expenses	5,300	7,208	12,341	32,414
6	Profit before finance cost, depreciation and amortization expenses (3-5)	405	446	1,219	2,989
	Finance costs	221	321	367	1,256
	Depreciation and amortization expense	159	205	178	764
7	Profit/(Loss) before tax	25	(80)	674	969
8	Tax expense:				
	Current tax	8	77	148	312
9	Profit/(Loss) for the period / year (7-8)	17	(157)	526	657
10	Other comprehensive income				
	<i>i) Items that will not be reclassified to profit or loss</i>				
	- Re-measurement gains/(losses) on defined benefit plans	11	64	(12)	64
	- Income tax relating to items that will not be reclassified to profit or loss	(2)	(11)	3	(11)
	<i>ii) Items that will be reclassified to profit or loss</i>				
	- Exchange difference on translation of foreign operations	(17)	-	-	-
	- Income tax relating on translation of foreign operations	3	-	-	-
11	Other comprehensive income for the period, net of tax	(5)	53	(9)	53
12	Total comprehensive income for the period / year (9+11)	12	(104)	517	710
13	Earnings per equity share				
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.04	(0.41)	1.51	1.72
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.04	(0.41)	1.51	1.72

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Inspirisys Solutions Limited (Formerly known as Accel Frontline 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 quarter ended 30 June 2020

S.No	Particulars	Consolidated			
		Quarter ended		Year ended	
		30 June 2020	31 March 2020	30 June 2019	31 March 2020
		(Unaudited)	(Audited) refer note 3	(Unaudited)	(Audited)
1	Revenue from operations	7,551	9,731	15,651	45,849
2	Other income	186	270	267	977
3	Total revenue (1+2)	7,737	10,001	15,918	46,826
4	Expenses				
	Cost of raw material and components consumed	46	37	135	225
	Purchases of stock-in-trade and stores and spares	1,345	1,307	7,773	15,109
	Changes in inventories of Stock-in-trade and stores and spares	(64)	771	76	288
	Employee benefits expense	2,964	3,310	3,162	12,590
	Impairment losses	102	127	42	590
	Other expenses	3,152	3,699	3,688	15,276
5	Total Expenses	7,545	9,251	14,876	44,078
6	Profit before finance cost, depreciation and amortization expenses (3-5)	192	750	1,042	2,748
	Finance costs	292	349	426	1,414
	Depreciation and amortization expense	162	215	181	781
7	(Loss) / Profit before tax	(262)	186	435	553
8	Tax expense:				
	Current tax	8	77	148	312
9	Loss / (Profit) for the period/year (7-8)	(270)	109	287	241
10	Other comprehensive income				
	<i>i) Items that will not be reclassified to profit or loss</i>				
	- Re-measurement gains/(losses) on defined benefit plans	11	64	(12)	64
	- Income tax relating to items that will not be reclassified to profit or loss	(2)	(11)	3	(11)
	<i>ii) Items that will be reclassified to profit or loss</i>				
	- Exchange difference on translation of foreign subsidiaries and operations	(60)	(249)	2	(406)
	- Exchange difference on translation of foreign operations	3	-	-	-
11	Other comprehensive income for the period, net of tax	(48)	(196)	(7)	(353)
12	Total comprehensive income for the period / year (9+11)	(318)	(87)	280	(112)
13	Profit attributable to:				
	Owners of the company	(270)	109	287	241
	Non-controlling interest	-	-	-	-
	Total comprehensive income attributable to:				
	Owners of the company	(318)	(87)	280	(112)
	Non-controlling interest	-	-	-	-
14	Earnings per equity share				
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	(0.68)	0.29	0.83	0.63
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	(0.68)	0.29	0.83	0.63

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Inspirisys Solutions Limited (Formerly known as Accel Frontline 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 ended
	30 June 2020	31 March 2020	30 June 2019	31 March 2020
	(Unaudited)	(Audited) refer note 3	(Unaudited)	(Audited)
1. Segment Revenue				
Systems Integration	1,558	2,444	8,690	16,445
Services	5,871	6,797	6,492	27,475
Warranty Management Services	122	490	469	1,929
Training	-	-	-	-
Revenue from Operations (Net)	7,551	9,731	15,651	45,849
2. Segment result				
Systems Integration	37	(438)	395	(564)
Services	569	838	766	3,560
Warranty Management Services	(332)	41	27	74
Training	-	(5)	-	(8)
Total	274	436	1,188	3,062
(i) Interest expenses	(292)	(349)	(426)	(1,414)
(ii) Other unallocable expenses	(430)	(171)	(594)	(2,072)
Other income	186	270	267	977
Total (Loss)/Profit Before Tax	(262)	186	435	553
3. Segment Assets				
Systems Integration	4,337	4,924	14,650	4,924
Services	18,691	16,083	15,883	16,083
Warranty Management Services	505	874	954	874
Training	42	42	66	42
Unallocated	6,098	8,787	7,939	8,787
Total Assets	29,673	30,710	39,492	30,710
3. Segment Liabilities				
Systems Integration	3,859	4,989	13,301	4,989
Services	12,926	10,283	10,408	10,283
Warranty Management Services	609	621	1,016	621
Training	8	2	-	2
Unallocated	10,825	13,051	12,220	13,051
Total Liabilities	28,227	28,946	36,945	28,946

 For Inspirisys Solutions Limited
(formerly Accel Frontline Limited)

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 Place: Chennai
Date: 10 August 2020

 Malcolm F Mehta
Chairman & Chief Executive Officer

Note

- 1 The above financials results as reviewed by the Audit Committee were approved and taken on record by the Board at its meeting held on 10 August 2020.
- 2 The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. 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 develops, 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 June 30, 2020.
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 value of 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 be different from those estimated as on the date of approval of these interim financial statements.
- 3 With respect to standalone and consolidated financial results, the figure for the quarter ended 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 2019.
- 4 The Company has a trade receivable of ₹ 3,159 Lacs as on 30 June 2020 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 Ltd (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 and are hopeful of collecting the dues from the company. This is a subject matter of qualification in the standalone limited review report for the quarter ended 30 June 2020 and year ended 31 March 2020.
- 5 The consolidated financial statement results comprises the financial results of the company and its subsidiaries.
- 6 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 August 2020

For Inspirisys Solutions Limited
(formerly Accel Frontline Limited)

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Malcolm F Mehta
Chairman & Chief Executive Officer

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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 (Formerly known as Accel Frontline Limited)

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Inspirisys Solutions Limited (Formerly known as Accel Frontline Limited) ('the Company') for the quarter ended 30 June 2020 and the year to date results for the period 01 April 2020 to 30 June 2020 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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4. As detailed in Note 4 to the standalone financial results, the Company has reported an amount of ₹ 3,159 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA (formerly Accel North America Inc., USA) as at 30 June 2020 which are significantly over-due. 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. 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 30 June 2020, and the consequential impact thereof, if any, on the accompanying financial results.
5. Based on our review conducted as above, except for the possible effects of the matters described in para 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandio & Co LLP

Chartered Accountants

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Sumesh E S

Partner

Membership No. 206931

UDIN: 20206931AAAACV1851

Place: Chennai

Date: 10 August 2020

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date 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 (Formerly known as Accel Frontline Limited)

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Inspirisys Solutions Limited (Formerly known as Accel Frontline Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2020 and the consolidated year to date results for the period 01 April 2020 to 30 June 2020 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), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the accounting principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the accounting principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of six subsidiaries included in the Statement of financial results of the entities included in the Group, whose financial information reflects total revenues of ₹ 2,131 Lakhs, total net loss after tax of ₹ 285 Lakhs, total comprehensive loss of ₹ 285 Lakhs for the quarter ended 30 June 2020. These interim financial results have been reviewed by other auditors whose review reports has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion 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.

For Walker Chandiook & Co LLP

Chartered Accountants

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Partner

Membership No. 206931

UDIN 20206931AAAACW1121

Place: Chennai

Date: 10 August 2020

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Annexure 1

List of subsidiaries included in the Statement

- a) Inspirisys Solutions DMCC, Dubai (Formerly, Accel Frontline DMCC, Dubai)
- b) Inspirisys Solutions Japan Kabushiki Kaisha (Formerly, Accel Japan Kabushiki Kaisha, Japan)
- c) Network Programs (USA) Inc., USA
- d) Inspirisys Solutions North America Inc., (Formerly, Accel North America Inc., USA)
- e) Inspirisys Solutions IT Resources Limited (Formerly, Accel IT Resources Limited, India)
- f) Inspirisys Solutions Europe Limited, UK (Formerly, Accel Technologies Ltd, UK)