

INSPIRISYS SOLUTIONS LIMITED
TRANSCRIPT OF 29TH ANNUAL GENERAL MEETING

DAY & DATE : Friday, 28th June 2024

TIME : 02:00 P.M (IST)

DEEMED VENUE OF THE MEETING : First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai – 600 010.

02:00 P.M (IST) – Mr. Sundaramurthy, Company Secretary:

Okay Thank you,

So, Welcome to 29th Annual General Meeting of Inspirisys Solutions Limited, so, I request Mr. Koji Iketani Chairman of the Meeting to preside over the meeting.

Over to you Iketani-san.

Mr. Koji Iketani, Chairman:

Good afternoon, everyone and welcome to this 29th Annual General meeting of Inspirisys Solutions Limited being held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) for the fifth year in a row.

May I request Mr. Sundaramurthy, Company Secretary to support in conducting the proceedings of this Annual General Meeting.

Mr. S. Sundaramurthy, Company Secretary:

Thank you, Chairman.

Pursuant to the relaxation granted by the Ministry of Corporate Affairs and SEBI, this meeting is being held through Video Conferencing (VC) and Other Audio-Visual Means (OAVM). All the shareholders have been sent communication for their participation in this Annual General Meeting by e-mail.

I would like to announce that the number of shareholders present in this meeting are 32 and 1 representation under Section 113 of the Companies Act, 2013 have been received and registered and also recorded their presence at the meeting. The requisite quorum is present for this meeting.

The Register of Director Shareholdings under Section 170 and Register of Contracts or Arrangements in which Directors are interested, under Section 189 of the Companies Act, 2013 are available for inspection. These will remain accessible to the members for inspection electronically if they so desire.

I would like to request the Members to consider that the Notice convening this 29th Annual General Meeting and the Directors Report as already sent to the Members electronically as read.

Now, I request Mr. Koji Iketani, Chairman to give a speech to the shareholders.

Over to you, Iketani-san.

Mr. Koji Iketani, Chairman:

Okay.

Dear Shareholders, A very welcome once again to all of you at this 29th Annual General Meeting of the Company being held virtually. My sincere thanks to you all for taking the time out to attend this meeting.

I would also like to welcome the Board of Directors and wish to introduce my fellow Directors of the Company who have joined this Annual General Meeting.

1. Mr. Murali Gopalakrishnan, Executive Director & CEO,
2. Mr. Toru Horiuchi, Non-Executive / Non-Independent Director,
3. Mr. Rajesh R. Muni, Independent Director
4. Mrs. Ruchi Naithani, Independent Director, and
5. Mr. M S Jagan, Independent Director.

This meeting is also being attended by Mr. R. Balaji, Chief Financial Officer, Mr. S. Sundaramurthy, Company Sec., Secre., Secretary and our Statutory Auditors and Secretarial Auditor.

I wish to inform you about the presence of the respective Chairman/Chairperson of various committees of the Board of Directors.

- Audit Committee Chairman - Mr. Rajesh R. Muni
- Nomination and Remuneration Committee Chairperson – Mrs. Ruchi Naithani
- Stakeholders Relationship Committee and CSR Committee Chair., Chairman – Mr. M S Jagan

I wish to give a brief on the performance of the company for the financial year 2023-24.

Consolidated Revenue stood at Rupees 49,422 Lakhs for the year ended March 31, 2024 which is an increase of 31% on a Revenue of Rupees 37,654 Lakhs achieved for March 31, 2023. Total Revenue on a Standalone basis for the year ended March 31, 2024 stood at Rupees 48,150 Lakhs which is an increase of 34% from the Total Revenue of Rupees 36,001 Lakhs reported for year ended March 31, 2023.

Growth in Revenue and Margins helped the company improve the consolidated EBITDA for the financial year ended March 31, 2024 in respect of continuing operations to Rupees 3,559 Lakhs from Rupees 3,381 Lakhs for the year ended March 31, 2023. The Company made an EBITDA of Rupees 3,863 Lakhs on a standalone basis for the year ended March 31, 2024 compared to Rupees 3,414 Lakhs for March 31, 2023.

Growth in Revenue and Margins from India and loss curtailed at Dubai subsidiary which has gone in for liquidation helped the company improve the consolidated EBITDA

Thank you once again.

I will now request Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer to address the shareholders and give them the details on the Company's performance during the year along with the future plans.

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Thank you, Chairman.

Dear Shareholders, Good Afternoon to all of you.

On behalf of the Board of Directors, I extend a very warm welcome to you to this 29th Annual General Meeting of your company. This meeting is now being held virtually for the 5th year in a row and thank you for taking time out to attend this Meeting.

The Annual Report comprising of the Audited Financial Statements for the financial year ended March 31, 2024 of your company together with the Directors' Report, Auditors Report and Notes to the financials statement have already been circulated to you. With your permission, we may take them as read.

I had in my last year's speech mentioned about the organization restructuring the company had undertaken which came into effect from Nov 1, 2022 when I had taken over as the Executive Director and CEO of the company. So, this is the first full financial year performance that I am presenting to you in my capacity as the CEO of the Company.

I would like to share the key business performance highlights of the company for the financial year ended March 31, 2024 and the plans for the future.

Consolidated Revenue stood at Rs. 49,422 Lakhs for the year ended March 31, 2024 which is an increase of 31% on a Revenue of Rs. 37,654 Lakhs achieved for March 31, 2023. Total Revenue on a Standalone basis for the year ended 31st March 2024 stood at Rs. 48,150 Lakhs which is an increase of 34% over the Revenue achieved for the year ended March 31, 2023.

Increase in revenue has come from all segments of the business within India except warranty management services division. India standalone business was good during the year with the company winning some large infra products and services projects. However, the US market continued to be sluggish due to recession and continuing Russia and Ukraine war.

Growth in Revenue and Margins from India and loss curtailed at Dubai subsidiary which has gone in for liquidation helped the company improve the consolidated EBITDA for the financial year ended March 31, 2024 to Rs. 3,559 Lakhs compared to Rs. 3,381 Lakhs for the year ended March 31, 2023. EBITDA on a standalone basis for the year ended March 31, 2024 was Rs. 3,863 Lakhs compared to Rs. 3,414 Lakhs for the year ended March 31, 2023.

Significant contribution to the better performance has come from Infra Products, Infra Services and Banking segments. Infra products and services achieved success with a major win of a project for a PSU bank during the year and the team had executed the project efficiently. Additionally, the banking business unit performed well, particularly with the Government Business Suite (GBS), an IP product owned by your company, which also showed strong growth numbers. We have successfully rolled out the GBS solution for many banks including private sector banks over the last 3 years and have been well received. We will continue to expand our horizon for this product in acquiring new banks.

The Management Discussion and Analysis is given in detail in the Annual Report and which is already with you. I would like to touch upon a few key areas from the same.

Let me start with the Global Economic Overview

The global economy continued to struggle amidst multifaceted challenges presented by the

aftermath of the pandemic, geopolitical instability, conflicts akin to war, economic downturns, recessionary pressures, and the rising cost of living in 2023. The conflict in Gaza and Israel has added further strain, particularly in the Middle East and North Africa. Reflecting on these adversities, the resilience demonstrated is noteworthy. Despite facing disruptions in energy and food and soaring inflation rates, the global economy has managed to navigate through these obstacles without grinding to a halt.

According to the IMF's World Economic Update 2024, global growth is anticipated to plateau at 3.1% in 2024 before a slight uptick to 3.2% in 2025, below the historical average. Inflation is expected to moderate globally, with figures forecasted to decline from 6.8% in 2023 to 5.8% in 2024 and 4.4% in 2025.

Amidst prevailing economic uncertainties, the IT sector emerges as a beacon of growth and resilience. Projected spending in the IT sector is expected to soar to \$5 trillion in 2024. IT services are anticipated to dominate spending growing by 8.7%.

Moving on to the Indian Economy

India has emerged as a leading major economy globally, propelled by its robust democratic framework and strong international alliances. With aspirations to rank among the top three economic powers within the next decade or so, India's economic trajectory is a focal point of global attention. The World Bank revised India's growth forecast upward, citing the nation's resilient domestic demand. Forecasts indicate that India is on track to achieve a growth rate of 7% or higher for the fiscal year 2024, with similar expectations for FY 25.

The improving fundamentals are expected to reinforce GDP growth, with projections ranging between 6.9% and 7.2% for FY 2023 to 2024, followed by growth between 6.4% and 6.7% in the subsequent fiscal year.

Let me touch upon the IT Industry Outlook & Overview

In this climate of mixed sentiments and economic currents, the IT industry stands ready for a comeback in 2024. Projections from Gartner paint a promising picture, forecasting worldwide IT spending to hit \$5.1 trillion, an 8% increase from the previous year.

Looking forward, the focus for Chief Information Officers (CIOs) in 2024 will centre on expanding data platforms and infrastructure to meet the growing demand for GenAI and AI solutions.

In addition, as highlighted in NASSCOM's Indian Technology and Industry overview, despite heightened global geopolitical tensions impacting investment climates, the Indian technology sector is poised for substantial growth in FY 2024. Projections indicate industry revenues, including hardware, are set to soar to \$254 billion, marking a robust year-on-year growth of 3.8%.

I would now like to talk on Opportunities and Threats

Inspirisys Solutions Limited is strategically positioned with a diverse array of offerings rooted in its solution capabilities including Infrastructure, Cloud, Enterprise Security, Banking, and Product Engineering & Development. By harnessing our deep understanding of customers' businesses, the company crafts bespoke solutions aimed at delivering unique business outcomes, primarily targeting key Industry verticals such as BFSI, Telecom, Government/PSU, Manufacturing, and Healthcare.

Our customers seek not only to navigate their digital future but also to streamline efficiencies across their technology infrastructure, applications, and core operations, striving for cost leadership in their respective domains.

Our primary competitors are major global technology service providers and companies that have well established their technology and IT infrastructure capabilities. Nevertheless, Inspirisys remains committed to its transformation journey, aiding organizations in embracing cutting-edge technologies that align with their goals of achieving more with less-offering superior value and enhancing their technological endeavours.

Now I would like to talk more specific on the Business Units of the Company

To start with IT Infrastructure, Cloud and Security

The market for Managed IT Infrastructure Services is poised for substantial growth, projected to surge from USD 117.57 billion in 2024 to an estimated USD 183 billion by 2029, exhibiting a robust CAGR of 9.32%.

Our IT Infrastructure division, encompassing system integration, infrastructure managed services, cloud, and security, adopts a holistic approach to revitalize core systems, enabling customers to embrace technological advancements and reimagine their IT infrastructure. With a comprehensive suite of solutions spanning data centers, network management, digital workplace, and enterprise security, we collaborate closely with customers to deliver superior IT services, optimize investment efficiency, and drive business innovation.

Now Moving on to Banking Solutions

The global core banking solutions market, valued at approximately USD 16.69 billion in 2023, is projected to undergo substantial expansion, surging to nearly USD 56.74 billion by 2032, with a forecasted CAGR of 14.56% from 2024 to 2032.

Key focal points in the technological space for 2024 and beyond encompass various critical areas, including:

1. Enhancing fraud detection capabilities
2. Leveraging data visualization and analytics
3. Streamlining database querying processes
4. Personalizing customer engagement and retention
5. Optimizing loan processing procedures

Our Banking team is already working on the above focus areas to tap the market.

On Product Engineering and Development Business Unit

The global product engineering services market has experienced remarkable expansion, surging to 1.2 billion dollars in 2023, with forecasts projecting a further ascent to 1.8 billion by 2032, demonstrating a CAGR of 4.9% during the period from 2024 to 2032. Concurrently, the global business software and services market is on a trajectory of growth, propelled by advancements in Artificial Intelligence and Machine Learning, digital information., transformation initiatives, automation, and escalating competition.

India stands as the premier offshoring destination for IT companies worldwide, showcasing its prowess in delivering both onshore and offshore services to global clientele. The IT industry contributed 7.4% to India's GDP in FY 22, with expectations to elevate its contribution to 10% by 2025, and is poised to surpass the US\$ 350 billion mark by 2026.

Amidst this transformative wave, Inspirisys's Product Engineering Division (PeD) emerges as an entity, offering bespoke services tailored to the current technology landscape and emerging trends. From Cloud Services and Data Science to DevOps, RPA, Artificial Intelligence, Machine Learning, Analytics, Testing & Test Automation, and Consulting, we empower businesses worldwide to thrive in the digital era by providing comprehensive solutions and expertise.

About Human Resources Management

In recent years, the realm of human resource management has undergone a transformative journey. The focal point for the current year and the subsequent five years will be on elevating employee experiences, nurturing diverse talent pools, and fostering a culture of continual learning and development. By prioritizing initiatives aimed at empowerment and engagement, an environment can be cultivated where each individual can thrive and contribute to the collective success of the organization.

Moving on to the Focus Areas of the Company

Inspirisys aims to concentrate on high-value, high-margin services in India. We will continue to focus on professional services in the infra space by aligning with the OEMs. We will also stay invested in increasing the share of both offshore and onsite business which will be a key focus area. We will continue to work with customers to identify products in the new areas of compliance, Statutory changes, Risk areas for target private and PSU sector banks.

With CMMI Level 5 certification, Inspirisys aims to keep up with continuous improvement on the delivery process and Framework to improve the delivery quality.

It's imperative that Inspirisys as a Technology company providing various services to its customers continuously should be abreast of various technology trends to propose right solutions to the customers achieve apt solutions for their business problems. Inspirisys continues to invest in Artificial Intelligence and Machine Learning, recognizing them as emerging technologies that would have a big impact in the near future.

BFSI, Manufacturing, Telecom and Healthcare Domain specific solutions and GTMs will provide end to end solutions extend better foot print with existing as well as prospective clients.

As a company we continue to perform with integrity and every one at Inspirisys plays a vital role in fulfilling that commitment that exemplifies our core values in our day-to-day activities. As we move forward, we are committed to delivering exceptional value to our clients. We will continue to invest in new technologies, develop innovative solutions, and foster a culture of collaboration and innovation. Our goal is to remain a trusted partner to our customers' and we will work tirelessly to ensure that we meet their needs and exceed their expectations which will give that positive experience.

As a responsible corporate entity, the company has contributed a sum of Rs. 23.80 Lakhs as part of the CS., Corporate Social Responsibility (CSR initiative) to Anandam an NGO towards Education of children with special needs.

To conclude, on behalf of the Board and Management I would like to thank all the shareholders for their understanding and reposing their faith in the Company. I would also like to take this opportunity to thank the Board Members, Management and all the employees of the Company for their support and cooperation. I also want to express my sincere appreciation to our customers, partners, bankers and all other stakeholders. A special thanks

to the Statutory and Internal Auditors and the Secretarial Auditor. Last but not the least, I would like to mention that CAC Holdings Corporation has continued to provide us with the necessary financial and other support required by the Company and I would like to express my sincere appreciation for the same.

With this I would like to conclude my speech. Thank you very much for your patience.

Over to you Sundaramurthy-san.

Mr. S. Sundaramurthy, Company Secretary:

Okay. Thank you, Murali-san.

I will., Now I will read the qualification given by the Statutory Auditor.

The Qualifications, Observations or Comments or other remarks on the financial transactions mentioned in the Statutory Auditors Report.

As disclosed in Note No. 7c (Trade receivables) to the Standalone & Consolidated Financial Statements.

The Company has a trade receivable of Rs. 4,049 Lakhs as on 31st March 2024 (Rs. 4,033 Lakhs as on 31st March 2023) from one of its subsidiary companies Inspirisys Solutions North America, Inc (ISNA). The aforesaid balance reflects accumulation of receivables since 2018-19 and comprises of foreign currency receivable pending for settlement beyond the stipulated period as permitted under the Foreign Exchange Management, Act 1999 (as amended). ISNA, the wholly owned subsidiary of Inspirisys Solutions Limited (ISL), India is the marketing arm for the offshore services offered and delivered to the customers., US customers of ISNA from ISL India. ISNA has been working with customers in North America and has been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represent 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 has 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, in accordance with sub rule 1 of 96A of Central Goods and Service Tax (CGST) Rules, 2017, as further described in Note 41, on such export receivables together with interest thereon as the management is hopeful of collecting the dues from ISNA. The impact of non-compliance with Clause C.20 of the Master Direction – Export of Goods and Services (Updated as on November 22, 2022) for non-realization of export proceeds within stipulated timeline has been determined to be immaterial to the standalone financial statements.

The explanations / comments are given by the Board of Directors in the Annual Report at Page no. 14.

I would like to inform the members that the Company provided Remote e-voting facilities to all shareholders, which ended at 05:00 P.M yesterday June 27, 2024. Members who have not voted through 'remote e-voting', the facility for voting electronically is provided at this Annual General Meeting. This facility is for all the shareholders who have not voted through remote e-voting. They will be able to vote here. I would also like to inform the members that show of hands is not permissible at this Annual General Meeting.

I wish to inform the shareholders that the Board of Directors has appointed Mr. M. Alagar,

Managing Partner (Membership No. F7488 and CoP No. 8196) of M/s. M. Alagar & Associates, Practicing Company Secretaries, Chennai as the Scrutinizer to scrutinize the voting process (both remote e-voting and e-voting process at the Annual General Meeting), for the resolutions included in the notice of the 29th Annual General Meeting.

Now, I would request the members who have registered themselves as speaker shareholders to ask their questions and / or provide any comments on the financial statements for the financial year ended 31st March 2024 along with the report of the Auditors and Directors thereon and to invite questions on any of the agenda items stated in the notice calling the Annual General Meeting.

All shareholders who have registered as speaker shareholders are requested to give their name and folio/DP-ID number before they ask questions. You are requested to keep your questions to the point and the time available to each speaker shareholder is three minutes. Please refrain from talking for a long time as this will take away the time for other shareholders to ask their questions. Please direct your questions to the concerned financial year and relevant to the Company. Thank you for your co-operation in advance.

Now Q & A Session.

Now I request the Moderator to conduct the Q & A Session.

Moderator:

Thank you Sir,

Dear Shareholders,

We will now move on to the Q & A Session. We will take the questions in the order of how speaker shareholders have registered themselves. Members are requested to mention their name, DP ID, and Client ID for identification purposes and are requested to keep their questions brief and specific.

We have our First Speaker Mr. Faizal Zubair Hawa connected with us.

Sir.,

Mr. Faizal.,

Mr. Faizal Zubair Hawa, Speaker Shareholder:

Have you taken Print out the questions which I have sent in writing again or I have to

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Not required Sir.,

Thank you very much for....

Mr. Faizal Zubair Hawa, Speaker Shareholder:

No no.,

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

sending your questions in advance

Mr. Faizal Zubair Hawa, Speaker Shareholder:

yeah, I have more questions actually

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Okay, so, may be.. I think the list of questions are quite long, so I we may not have enough time to explain this to you but we will share our responses to this by an email to you sometime.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

No, You must appreciate, you must appreciate that there is no other way of contacting the company or getting any kind of.. you know there is no con calls, there is no analyst meet to if we, if, if you do not engage us even at the AGM its its just you know blackout of information for us. And with due resp...

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

We will, We will give you the

Mr. Faizal Zubair Hawa, Speaker Shareholder:

No no., even the annual report, the annual report is in extremely know. ... to just say the least it it just does not explain anything as to what the business we are doing and it it actually you know under estimates the shareholder as to how much you can understand the IT services industry it doesn't explain what the company does actually how it helps there are no case study, there are no flow charts, there are no photographs, it just says a lot of things about some macro economics and also it shows about how the IT Industries proceeding but with the 400 crore market cap company, we should., we should not be actually discussing macro economics you should be able to explain the company's business more.. you know... in depth.. which the annual report totally lacks.

So if you going to say that these questions also now going to be answered by email then the AGM is of is of no use..

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

No.. No.. No... I said that...

Mr. Faizal Zubair Hawa, Speaker Shareholder:

You have to respect the scintity of the AGM.. here me out I have I have some more of the questions

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Sure

Mr. Faizal Zubair Hawa, Speaker Shareholder:

You have to give me an answer at the.. at the level of AGM not by an email.

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Of course certainly.. so I was saying that the questions which have already sent to us so we will explain that to you in the AGM now if you have more questions we will try and take it now otherwise we will have to

Mr. Faizal Zubair Hawa, Speaker Shareholder:

No no I will..

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Send you an explanation

Mr. Faizal Zubair Hawa, Speaker Shareholder:

No.. no.. I will I will ask it just now only.. so

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Yeah, okay, shall I shall I go ahead with the question that you already put forth by an email

Mr. Faizal Zubair Hawa, Speaker Shareholder:

No., may I just ask all my questions first or or or you may you may answer my questions then I can ask the rest of the questions after you answered it.

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Sure whichever way is convenient for you sir

Mr. Faizal Zubair Hawa, Speaker Shareholder:

I think I think you answer the question first

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Okay, so the questions you have sent has the first one is

1. What are the KRAs of MD and CFO of the Company and Please also mention how their salaries are connected to their performance?

So, I would like to clarify here that the KRAs are defined for each employee of the Company and that includes the CFO, CEO and the executive management team. These are done at the beginning of the year financial year. And the key result areas include achieving budgeted revenue, net operating margins. The compensation for 2 elements, the compensation is comprising of two elements one is fixed and variable. The variable element is linked to the performance and achievement of the KRAs.

Moving on to the second question..

Mr. Faizal Zubair Hawa, Speaker Shareholder:

What is the percentage? How much of the compensation is linked to revenue, how much is compensation is linked to cultural elements, and....

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

There are... it depends on the... it depends on the... person who is handling for example if it is a sales person.. the compensation have two elements which again its variable and fixed element the variable pay would be around about 35.. 40 percent and the fixed would be about 60 % or 65 % that's how it is. And whereas in the case of delivery team it would be slightly different because the sales guys have to get more incentive compared to the fixed element. That's how the structure is done.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

Okay, that.. that helps.. thank you.

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Yeah, moving on to the second one.

2. What are the new steps we are taking in the Company so that the accounting frauds that took place previously do not take place again?

The system and processes have been modified to take care not having to face such accounting frauds in the future and this has been put to use in operational for the last 6 plus years. We continue to make necessary changes and bring in controls to adapt to the current requirements of the business as and when changes are happening. In addition, we have internal auditors and statutory auditors who test all IFC controls every year to ensure the controls are working fine.

Moving on to third question

3. What is the exact nature of the operations of the Company? To which segments of the verticals it is catering to?

So, ISL is in the business of Information Technology and consulting services offering an integrated portfolio of solutions and services across Infrastructure, Security, Cloud and Product Engineering & Development. To have more specific I thing here, let me explain this to you we are more of a system integrator... we work with OEMs like HP, Oracle, IBM.. and... solus... the products and solutions of these OEMs are taken to the customers and spec.. Specifically in terms of the data centre and data disaster recovery.. we set up these kind of networks and other requirements for the customers and implement them.. I mean... basically identify the equipments which are required for such setting it up.. implement them and then take care of them during the warranty period and post warranty we have the annual maintenance contract which entered which is entered into. So that's one part of the business which is the Infra products and services.

The other Part of the business is the Product Engineering where we do software services and that is where I think we have our banking portfolio which is basically we have our own product as well which is implemented across about 25 banks within India. This is called the Government Business Module (GBM). So, typically when a customer visits a bank or does an online payment of the Income Tax or GST or Customs Duty or any other transactions which are happening which is related to the Government basically all the revenues that are going to the government that is routed through our product which is working along side the core business core banking solutions most of it Finacle, basically the Infosys product which is operational in most of the banks here and our product works along with them and integrates with their core banking solution to provide this information and the reporting requirements which are there for such transaction which are happening in the banks.

So that is major...

Mr. Faizal Zubair Hawa, Speaker Shareholder:

You mean.... Government taxes like corporate taxes, GST, etc.,

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Yes, yes that's right.

And we also have a B2C segment which is a Warranty Management Services business where we have aligned with some OEM for supporting customers which is B2C Customers and in terms of verticals as I mentioned in my speech also we continue to work with BFSI, Telecom, Government, PSU, Manufacturing and Healthcare.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

But these would be all in India or we do for Japanese companies also.

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

No, so, our business largely is within in India. So, close to about 70 75% of revenues and everything is within India.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

And that will not change anytime soon.

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

No.

Gross Margins, you had asked a question, I think, this would relate to various business, different business have different gross margins.. Ranging from infra products will have a very low margin compared to product engineering which will have a very high margin.

How much free cash flows is generated by the company?

I would like to ask my CFO to answer that.

Mr. Balaji Ramanujam, Chief Financial Officer:

Yeah

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Yeah

Mr. Balaji Ramanujam, Chief Financial Officer:

So, the free cash flow is Rs.3242 Lakhs so this information is also you can get it from page no.66 of the annual report on the cash flows and you also asked about what is the cash flow from operations generated by the company. Cash from operation is Rs. 3636 lakhs

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Thank you balaji

Mr. Balaji Ramanujam, Chief Financial Officer:

Thank you

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Yeah, estimated CAPEX I think we don't have a major CAPEX that is coming up in the Financial Year and in terms of head count having the attrition rates in this industry is very very high, especially on the Infra products and services team where the attritions are beyond about 45% so including the re-hiring of people who..... Moving out of the company the total hired is expected to be around 700 to 800 in the current fis.. financial year.

How many people were employing, this is available in the annual report itself, 1621 permanent employees as of March 31st. Gender ratio is about 15 female to 85 male.. Largely because I think, the infra services is more field work where the people have to keep moving around between one customer to another customer so I think that's the challenge we are not able to employee women work force in that space.

Please mention what are our technologies?

So I have also mentioned this during my speech, that company invest in new technologies including AI and ML and we have also developed tools using AI and ML.

Do we hold any patents?

Basically, the Government Business Suite (GBS) is our own product for the IP which is owned by us.

Total number of customers is about 350 and top 10 customers contribute about 60 to 70% of the revenue.

Background of CAC Holdings?

Basically, they are also an IT Services Company about 50 years old in the market and they are listed in the Tokyo Stock Exchange, they cater to the Banking and Pharma verticals and have products and solutions to meet the customer requirements.

Ultimate Promoters.. I mean CAC Holdings is our holding company and they own 70% of Inspirisys Solutions and they are also professionally run company.

So, those are the questions that you had sent us and if you have any further questions we can take them now depending on the nature of question that you have.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

Can you give a brief background of yourself and you know top management team, which companies have they come from and you know

what is now really driving us to this company?

what kind of business plans that we have made for next three to four years

And you know, I am still not able to understand the Japanese connection, it is a India focused business, you know, what is their drive to really invest in a company in India. Which is also you know acentric.

And what kind of synergies they are looking at, because Japan is a market which even the best of the IT companies in India have not been able to really penetrate too easily.

So, I would also like to know that you know, what the old promoter actually developed in this and you know what kind of investment thesis that these the people came in was and where where things really went wrong because you know these accounting frauds are causing a big

hicks on the company, where as you the shares of the company are also not traded very periodically there are severe you know restrictions on the trading itself of the stock.. so you know

What are we really trying to you know again you know improve the image of the company.

It was, with due respect we are at almost you know at one time sales and in some quarters last year we showed a very good sequential growth now suddenly that sequential growth has gone so, in IT atleast the revenues are much more uniform. So, how do you really explain that?

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Yeah, so to answer that question, last I mean the one that you asked me last. So, basically as I mentioned during my speech we have had a very large project which we had undertaken for a PSU bank on the infra products space where we had setup or refreshed the entire data centre and DR for a large PSU bank and that is what has spiked the revenues during that quarter which you are referring to.

And that's obviously you mean the product business is completely not standard I mean you cannot really expect everytime to win projects for the products business because a lot of things depend on what the customer is looking and also we go through a very stiff competition the reverse option process comes into pictures all of that is there and the margins are very very thin, so we align with certain OEMs and go on propose our the kind of products that we would like give out to the customer but it all depends on what the customers wanting to and thats how the market is very very different for the infra products we cannot really estimate or put forecast to the numbers that we are talking about on the product side.

Whereas on the Infra services which is part of the products business as well where we have got contracts signed with the customers for maintenance of those equipment's that's a very standard business, so, we continue to have decent growth in that quarter-on-quarter or year-on-year as well.

On the product engineering and the banking side as I mentioned the product which we owned which the Government Business Suite is actually licensed product, so we were able to sell few more licenses to some of our customers in India. And those licenses are one time sale and once we implement that and post go live we get into a maintenance contract with them also for those products which have been sold. So, that's how the standard revenues are being clocked in.

So, basically are speaking the spike in the revenues happened only when there is a large product order which has come in and we are able to execute that within that certain period of time.

So, as far as the other questions which are talking about what is the synergies between Japan and here, basically they have invested into this company looking at the company's.. the India geography and how India is looked at by many countries globally as well in terms of growth that is being looked at.

So, basically the work wise, I think we will continue to focus only on the Indian market and we still have some business going in the North American market on the software services where we have our backend offshore teams working in India and that will continue to be there but other than that I mean I don't think we will have any other kind of business work that can come from Japan at this point of time.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

And what the background of the top management team?

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Yeah, so, background, basically I am chartered and cost accountant and have been in finance for last 30 years and have been in many large conglomerates within India mean I used to be with retail before I joined in here. So, I worked as CFO here when I joined in 2017 and post five years I mean my predecessors have moved out and I took over as the CEO of the Company.

And, the president, we have two presidents who are heading two different business divisions. So, one is for the Infra products and services he is been a veteran in this market been with the organization for almost 29 30 years now and he has a very good connect with all the OEMs and that's how the business is going steady with Infra products and Services team.

On the Banking and Product Engineering we have a very strong technical person who heads that as a division head president. He is from the IT Company very large IT Company that he is come from and has a very good understanding of how the offshore and onsite work happens and also complete understanding of the product that we have which is the Government Business Suite.

So, those are basically the background of these leadership team apart from that I have my CFO who is also a Chartered Accountant who is sitting with me here and my the company secretary who is also here, we also have a president who heads the corporate function which is where all the marketing, IT, all the support functions are reported to him.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

But what is the kind of two to three year vision or the Business Plan that we have, because we did try to delist the Company also, and you know.....

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Yeah so, I think the delisting was basically because Japan want to have a complete 100% stake in the company which is why they went in for that unfortunately the discovered price came in was much higher than what they expected which is why it did not go through and they did not want to give a counter offer on that process.

Otherwise, I think I mean this point of time we back to same status and we continue to be listed in the stock markets.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

Two to three years what is the kind of revenue that we are expecting ?

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

I will not be able to divulge anything on those numbers because we don't really give any forecast to the market.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

Okay, but we will not definitely not be hiring more people?

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

No, so I think in terms of more people, the attrition levels itself is very high which is why I told you about 600 700 people will be hired but again that will be attrition levels but obviously there will be a growth I mean the growth is very very nominal I would say going forward.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

And how will you really recover this huge amount in US you are saying we will make more profits and send this money back, I mean if you not trying itself how will it come back?

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Here, the market is very sluggish now, I mean the US market is still very sluggish and they are expecting some things to happen after the elections are over. So, We we tried in the last two years to put people on sales and tried to market our solutions and services in the US market. But apart from the existing customers who we are working with for the last 13, 15 years. We were not able to add any new customers so, it is going to take some time, so, I would think that some thing which we will focus on after the elections are over. And, we know that the market is responding to your investments that we are looking at.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

Okay, my understanding of the company has really improved, I really appreciate you answering my questions and absolutely thankful to you sir. Thank you so much.

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Thank you very much Faizal, wonderful, nice talking to you also thank you very much.

Mr. Faizal Zubair Hawa, Speaker Shareholder:

Thank you sir.

Mr. S. Sundaramurthy, Company Secretary:

Next Shareholder

Moderator:

We have our second speaker Mr. Sarah Faizal Hawa,

Mrs. Sarah

Mr. Sarah Faizal Hawa, Speaker Shareholder:

Am I Audible?

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Yes.

Mr. Sarah Faizal Hawa, Speaker Shareholder:

Yeah, Good afternoon sir, thank you for giving opportunity

My question was regarding to the winding up of the Dubai Subsidiary ? Like is it the company thinking of reviving it?

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Not at this point of time, because during covid and post covid we had severe impact on the revenues and the kind cost that we incurred for handling a few projects so, we decided that we will come out of that market this point of time, so we are looking at reviving at this point of time. But in the near future if there are some opportunities coming up we will do but we are also seeing that there are some opportunities where we are likely to do some managed services work out of offshore here like remote infrastructure management and all that. So, that something which we are progressing through some of our partners in that in that market.

Mr. Sarah Faizal Hawa, Speaker Shareholder:

And how much would be the revenue that the company would take because of that winding up?

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

With the the operations of the company is already stopped in the last one year so if you see the revenues are hardly anything in from Dubai which is added to consolidated revenue numbers. So, we will continue to do this if we are able to perform well within India and also the fact that I mentioned during the other gentlemen who had raised questions on the fluctuation on the revenue side if the products business going to do well then we will continue to do pretty well in the market.

Mr. Sarah Faizal Hawa, Speaker Shareholder:

My last question, would it be possible for you to give us the last figure that the revenue was generated from the Dubai Subsidiary?

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

We will probably share that with you later by an email, if you can send an email to us we will share that information. I think some part of the information is already there in the Annual Report.

Inspirisys Dubai... here the turnover is 5382 lakhs right...

Mr. S. Sundaramurthy, Company Secretary:

Correct..

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Yeah, the turnover was about 53 crores last year.

Mr. Sarah Faizal Hawa, Speaker Shareholder:

Okay, thank you sir.

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Yeah, thank you very much.

Mr. S. Sundaramurthy, Company Secretary:

Thank you sir.

Moderator:

Thank you sir.

With this the speaker shareholder has concluded with their questions, I hereby request the chairman to proceed.

Over to you Chairman sir.

Mr. Koji Iketani, Chairman:

So,

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

You can handover to sundaramurthy.

Mr. S. Sundaramurthy, Company Secretary:

Yeah yeah

Mr. Koji Iketani, Chairman:

Yeah

Mr. S. Sundaramurthy, Company Secretary:

Okay chairman, thankyou Murali Gopalakrishnan san

So, we have responded all the queries of the shareholder. And now the results of evoting remote evoting and evoting conducted at the Annual General Meeting along with the Consolidated Scrutinizer's Report will be placed on the Company's Notice Board and Website of the Company www.inspirisys.com and also on the website of NSDL and communicated to BSE limited and National Stock Exchange of India Limited within two working days from the closing of this Annual General Meeting.

Now I request the Chairman, Mr. Koji Iketani to provide the closing remarks to thank everyone.

Over to you Chairman.

Mr. Koji Iketani, Chairman:

Okay, I wish to thank all the members for their presence and support and would like to announce that after casting of votes by the members at this 29th Annual General Meeting, I declare that the meeting as ended closed.

Mr. S. Sundaramurthy, Company Secretary:

Thankyou Chairman.

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Thankyou chairman.

Mrs. Ruchi Naithani, Independent Director:

Thank you.

Mr. Murali Gopalakrishnan, Executive Director & Chief Executive Officer:

Dear Board Members, thank you, everybody.