

## INDEPENDENT AUDITOR'S REPORT

**TO  
THE MEMBERS  
INSPIRISYS SOLUTIONS IT RESOURCES LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of INSPIRISYS SOLUTIONS IT RESOURCES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note No. 13 attached to financial statements regarding the uncertainty relating to going concern status of the company. Our opinion is not modified in respect of the above matter.

### **Emphasis of Matter**

We draw attention to Note no. 2.1 (a, b & c) attached to the standalone Ind AS financial statements regarding various statutory and other demands. As stated therein, no provision is made in the accounts, since the management is hopeful of a successful outcome in the appeals filed against the above demands. Our opinion is not modified in respect of the above matter.

### **Information Other than the Standalone Financials Statements and Auditor's Report thereon (Other Information)**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report in the Annual Report of the Company for the financial year 2021-22, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the reports containing the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in

India, including the accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 SAs 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 adequate internal financial controls system 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 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 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 financial statements 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 financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) The matters described under "Material Uncertainty relating to Going Concern" and "Emphasis of Matter" paragraphs above, in our opinion, may have an adverse impact on the functioning of the company
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, no managerial remuneration has been paid or provided during the year.
  - (i) With respect to the other matters to be included in the Auditor's Report in

accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 16 to the financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

- v. The company has neither declared nor paid any dividend during the year. Accordingly, the reporting requirements under Rule 11(f) are not applicable.

**For Varma & Varma**  
**Chartered Accountants**  
FRN. 004532S

Place : Chennai Date :  
6th May, 2022

Sd/-

**Arjun R**  
**Partner**  
**M.No. 226775**  
**UDIN :**

**ANNEXURE 'A' REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING REPORT ON "OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE**

1. There are no Property, Plant and Equipment carried in the books of the company during the year and as at the end of the year and hence, the related clause of the order is not applicable.
2. The company is does not hold any physical inventories the relative reporting requirements under the Order are not commented upon.
3. According to the information and explanations provided to us and based on our verification of the records of the Company, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, Thus, paragraph 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
4. According to the information and explanations provided to us and based on our verification of the records of the Company, during the year, the Company has not provided any loan, guarantees and security and not made any investment, thus, paragraph 3(iv) of the Order is not applicable to the Company.
5. According to the information and explanations provided to us and based on our verification of the records of the Company, the Company has not accepted any deposits from the public, thus, paragraph 4(v) of the order is not applicable to the Company.
6. According to the information and explanations provided to us and based on our verification of the records of the Company, the provisions relating to maintenance of cost records under section 148 of the Companies Act, 2013 are not applicable to the Company for the year.
7.
  - a) According to the information and explanations given to us, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Service tax and Income Tax , Sales Tax, Service Tax, Duty of Customs, Duty of excise, Value Added Tax , Goods and Service Tax, Cess and other statutory dues as applicable to the company with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth tax, Sales tax, Customs duty, Excise

duty, Cess and other statutory dues which were outstanding as at the year end for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and the verification of the records of the Company, there are no disputed statutory dues referred to in sub-clause (a) above that have not been deposited with appropriate authorities as at 31st March 2022, except the following.

<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Amount (Rs.)</b>	<b>Period to which the amount relates</b>	<b>Forum where Dispute is pending</b>
The Employees Provident Fund & Miscellaneous Provisions Act, 1952	PF Dues	Rs. 1,48,56,275	March 2007 to August 2010	Employee Provident Fund Appellate Tribunal

8. According to the information and explanations given to us and the verification of the records of the Company, no unrecorded transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. In our opinion and according to the information and explanations given to us and based on the records of the Company examined by us, the Company has neither taken any loans or borrowings from banks, financial institution or government nor has the company issued any debentures, and hence, the relative reporting requirements under clause 3(ix) of the Order are not commented upon.
10. (i) According to the information and explanations given to us and based on the records of the Company examined by us, no monies were raised by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year and hence relative reporting requirements under clause 3(x) of the Order are not commented upon.
- (ii) According to the information and explanations given to us and the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

11. (i). During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company reported during the year, nor have been informed of any such case by the management.  
  
(ii) No report under sub-section 143(12) of the Companies act has been filed in ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules,2014 with the Central Government during the year and upto date of this report.  
  
(iii). As represented to us by the management, there are no whistle blower complaints received by the company during the year.
12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.
13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in Note 14 to the standalone financial statements as required by the applicable accounting standard.
14. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
15. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
16. According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi)(a),(b),(c) and (d) of paragraph 3 of the Order is not applicable.
17. According to the information and explanations provided to us and based on our verification of the records of the Company, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

18. According to the information and explanations provided to us and based on our verification of the records of the Company, the statutory auditor has not been resigned during the year. Hence the paragraph 3(xviii) is not applicable.
19. According to the information and explanations provided to us and based on our verification of the records of the Company, there are no liabilities carried in the books of the company as at the year end. Accordingly, the reporting requirements under clause (xix) of paragraph 3 of the Order are not applicable.
20. The provisions of Section 135 of the Act are not applicable to the company. Accordingly, the reporting requirements under clause (xx)(a) and (xx)(b) of paragraph 3 of the Order are not applicable.

**For Varma & Varma**  
**Chartered Accountants**  
FRN. 004532S

Sd/-

Place : Chennai  
Date : 6th May, 2022

**Arjun R**  
**Partner**  
**M.No. 226775**  
**UDIN :**

**ANNEXURE B REFERRED TO IN PARA 2(G) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of INSPIRISYS SOLUTIONS IT RESOURCES LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Varma & Varma**  
**Chartered Accountants**  
FRN. 004532S

Sd/-

Place : Chennai  
Date : 6th May, 2022

**Arjun R**  
**Partner**  
**M.No. 226775**  
**UDIN :**

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**INSPIRISYS SOLUTIONS IT RESOURCES LIMITED**

Balance Sheet as at 31st March 2022

(Amount in Rs.)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
Non-current assets			
		-	-
Current assets			
Financial assets			
- Cash and cash equivalents	3	-	94,167
- Other financial assets	2	35,86,455	35,86,455
		<b>35,86,455</b>	<b>36,80,622</b>
<b>Total assets</b>		<b>35,86,455</b>	<b>36,80,622</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	4	3,00,00,000	3,00,00,000
Other equity	5	(2,64,13,545)	(2,64,13,545)
<b>Total equity</b>		<b>35,86,455</b>	<b>35,86,455</b>
Liabilities			
Current liabilities			
Other current liabilities	6	-	94,167
		-	<b>94,167</b>
<b>Total liabilities</b>		<b>-</b>	<b>94,167</b>
<b>Total equity and liabilities</b>		<b>35,86,455</b>	<b>36,80,622</b>

Summary of Significant Accounting Policies and Notes 1 to 18

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

 For Varma & Varma  
 Chartered Accountants  
 FRN 004532S

Sd/-

 Malcolm F. Mehta  
 Director

Sd/-

 Maqbool Hassan  
 Director

 Arjun R  
 Partner

M.No. 226775

Place: Chennai

Date : 6th May, 2022

Place: Chennai

Date : 6th May, 2022

**INSPIRISYS SOLUTIONS IT RESOURCES LIMITED**  
**Statement of Profit and Loss for the year ended 31 March 2022**

(Amount in Rs.)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue</b>			
Other income	7	-	7,49,974
<b>Total income</b>		-	<b>7,49,974</b>
<b>Expenses</b>			
Finance costs	8	-	762
Other expenses	9	-	5,81,775
<b>Total expenses</b>		-	<b>5,82,537</b>
<b>Profit / (loss) before tax and exceptional items</b>		-	<b>1,67,437</b>
Exceptional items			
<b>Profit / (loss) before tax</b>		-	<b>1,67,437</b>
<b>Tax expense</b>			
a) Current tax		-	-
b) Deferred tax		-	-
		-	-
<b>Profit/ (loss) for the year</b>		-	<b>1,67,437</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
- Re-measurement gains/ (losses) on defined benefit plans		-	-
		-	-
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		-	<b>1,67,437</b>
Earnings per equity share:[Face value Rs. 10 each]	10		
(i) Basic		-	0.06
(ii) Diluted		-	0.06

**Summary of Significant Accounting Policies and Notes**

1 to 18

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

For Varma & Varma  
Chartered Accountants  
FRN 004532S

Sd/-

Malcolm F. Mehta  
Director

Sd/-

Maqbool Hassan  
Director

Sd/-

Arjun R  
Partner  
M.No. 226775

Place: Chennai

Date : 6th May, 2022

Place: Chennai

Date : 6th May, 2022

**INSPIRISYS SOLUTIONS IT RESOURCES LIMITED**  
Statement of Cash Flows for the year ended 31 March 2022

(Amount in Rs.)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>A. Cash flow from operating activities</b>		
Profit/ (Loss) before exceptional item and tax	-	1,67,437
Adjustments for:		
Interest Income	-	(14,057)
Interest expense	-	762
<b>Operating profit before working capital changes</b>	<b>-</b>	<b>1,54,142</b>
<b>Changes in assets and liabilities</b>		
(Increase) / Decrease in other current assets	-	7,55,948
Increase / (Decrease) in trade payables	-	(10,800)
Increase / (Decrease) in other current liabilities	(94,167)	(10,06,385)
<b>Cash generated from/(used) in operating activities</b>	<b>(94,167)</b>	<b>(1,07,095)</b>
Direct taxes paid, net	-	-
<b>Net cash from/ (used) in operating activities before exceptional item</b>	<b>(94,167)</b>	<b>(1,07,095)</b>
<b>B. Cash flow from investing activities</b>		
Interest received	-	14,057
<b>Net cash (used) in/generated from investing activities</b>	<b>-</b>	<b>14,057</b>
<b>C. Cash flow from financing activities</b>		
Interest Paid	-	(762)
<b>Net cash (used) in/generated from financing activities</b>	<b>-</b>	<b>(762)</b>
<b>D. Net change in cash and cash equivalents</b>	<b>(94,167)</b>	<b>(93,800)</b>
E. Cash and cash equivalents at the beginning	94,167	1,87,967
<b>F. Cash and cash equivalents at the end</b>	<b>-</b>	<b>94,167</b>
<b>Cash and cash equivalents include</b>		
Cash on hand	-	-
Balances with banks	-	94,167
- in current accounts	-	-
<b>Cash and cash equivalents</b>	<b>-</b>	<b>94,167</b>

Summary of Significant Accounting Policies and Notes 1 to 18  
The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our separate report of even date attached  
For Varma & Varma  
Chartered Accountants  
FRN 004532S

Sd/-

Sd/-

Malcolm F. Mehta  
Director

Maqbool Hassan  
Director

Sd/-

Arjun R  
Partner  
M.No. 226775

Place : Chennai  
Date : 6th May, 2022

Place : Chennai  
Date : 6th May, 2022

INSPIRISYS SOLUTIONS IT RESOURCES LIMITED  
Statement of Changes in Equity for the year ended 31 March 2022

A. Equity Share Capital

(Amount in Rs.)

Particulars	Amount
Balance as at 31 March 2020	3,00,00,000
Changes in equity share capital during the year	-
Balance as at 31 March 2021	3,00,00,000
Changes in equity share capital during the year	-
Balance as at 31 March 2022	3,00,00,000

B. Other Equity

Particulars	Other Equity				Total
	General reserve	Retained Earnings	Securities Premium Reserve	Remeasurement of Defined Benefit Plans through OCI	
Balances as at 31 March 2020		(7,60,55,788)	5,00,00,000	(5,25,194)	(2,65,80,982)
Profit/ (loss) for the year	-	1,67,437	-	-	1,67,437
Other comprehensive income	-				-
Other items (specify)	-				-
Balances as at 31 March 2021	-	(7,58,88,351)	5,00,00,000	(5,25,194)	(2,64,13,545)
Profit/ (loss) for the year	-	-	-	-	-
Other comprehensive income	-				-
Other items (specify)	-				-
Balances as at 31 March 2022	-	(7,58,88,351)	5,00,00,000	(5,25,194)	(2,64,13,545)

Summary of Significant Accounting Policies and Notes 1 to 18

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our separate report of even date attached

For Varma & Varma  
Chartered Accountants  
FRN 004532S

Sd/-

Sd/-

Malcolm F. Mehta  
Director

Maqbool Hassan  
Director

Sd/-

Arjun R  
Partner  
M.No. 226775

Place : Chennai  
Date : 6th May, 2022

Place : Chennai  
Date : 6th May, 2022

**Note 1 - Summary of Significant Accounting Policies**

**A. General Information**

The company was incorporated on 22nd March 2007 as Accel Academy Limited. The name was changed to "Accel IT Resources Ltd" with effect from 4th September 2009. The company is in the business of Commercial Training & Coaching and Manpower Outsourcing. The name of the company has been further changed from Accel IT Resources Limited to Inspirisys Solutions IT Resources Limited with effect from 19th February 2019.

**B. Summary of Significant accounting policies**

**1 Basis of Preparation**

The financial statements are prepared under historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below, in accordance with the Generally Accepted Accounting Principles in India and comply in all material respects with the accounting standards specified under the section 133 of the Act.

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

**2 Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date.

Although these estimates are based on the managements best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the Statement of Profit and Loss in the year in which the results are known/ materialised.

**3 Property, Plant & Equipment**

Property, Plant and Equipment (PPE) are stated at cost less accumulated depreciation and impairment in value if any. Cost includes purchase price, (inclusive of import duties and non - refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any.

If the Company has acquired a Property, Plant and Equipment on deferred term basis and terms are beyond normal credit terms, property plant and equipment will be recognized on cash price equivalent, i.e. discounted amount.

Depreciation on fixed assets is provided for on straight-line basis, at the higher of the rates as specified in Schedule II to the Act or the rates derived based on the economic useful life of the asset as technically ascertained by the management. Accordingly a higher rate of Depreciation/ Amortisation are being Charged as follows:

Assets	Rates
Office Equipments	5
Furniture and Fixtures	5
Computer Hardware/ Desktops	3

Depreciation methods, Salvage value and Useful lives of PPE are reviewed at each year end

#### **4 Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Computer software, and intangible assets in the nature of software licenses etc. being application software is amortized over a period of 5 years or its realizable useful life, whichever is lower. Amortisation methods and Useful lives of PPE are reviewed at each year end

#### **5 Impairment**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's Fair Value less Costs to Sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

#### **6 Borrowing Cost**

Borrowing costs that are attributable to the acquisition / construction / production of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalised as part of the cost of that asset. All other borrowing costs are charged to revenue.

#### **7 Inventories**

Inventories, comprising of education and training materials and online examination vouchers, are stated at cost or net realizable value whichever is lower. Cost is determined on first-in-first-out (FIFO) basis.

#### **8 Foreign Currency Transaction**

##### **Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

##### **Subsequent Recognition**

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

#### **9 Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable, net of trade discounts, rebates, goods and service tax and service tax. Income from Educational Training Services are recognized rateably over the period of the course duration. The revenue attributable to the sale of course materials, included in the course fee, as estimated by management is recognized at the time of enrolment since the course materials are not returnable. Income from manpower outsourcing service are recognized rateably over the period of rendering such services.

## 10 Financial instruments

### Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

### Subsequent measurement

#### **i. Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **ii. Financial assets at fair value through profit or loss**

A financial asset which is not classified in the above category is subsequently fair valued through profit or loss.

#### **iii. Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Derecognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **Impairment**

All financial assets classified as at amortised cost shall be tested for impairment under Ind AS 109 and measured using Expected Credit Loss (ECL) model.

## 11 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs that are unobservable for the asset or liability

## 12 Employee Benefits

### **1. Short - Term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

### **2. Defined Contribution Plans**

#### **Provident Fund / Employees State Insurance**

Contribution to Provident Fund and Employee State Insurance Scheme are charged to the Statement of Profit and Loss of the year of contribution. There are no other obligations other than such contribution payable to the respective fund/scheme.

### **3. Defined Benefit Plan**

#### **Gratuity (Unfunded)**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") which is administered as an unfunded plan in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the other comprehensive income in the year in which they arise. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

#### **4. Other Long term employee benefits**

##### **Compensated Absence**

The Company's policy towards leave for their employees stipulates that the employees can only carry forward their earned leave to the extent allowed as per policy from time to time, without any encashment options. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the Profit and Loss Statement in the year in which they arise.

#### **13 Taxes on Income**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit and loss shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income (OCI) shall be recognised as part of the part of OCI.

Deferred tax is recognised for all the temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognised and carried forward only to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any and the same is recognised to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation law.

#### **14 Claims**

Liquidated damages/claims are accounted as and when finally determined/settled.

#### **15 Provisions and Contingent Liabilities**

**Provisions :** Provisions are recognised when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value, unless the effect of time value of money is material. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent Liabilities :** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### **16 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting equity dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### **C. Critical accounting judgements, assumptions and key sources of estimation uncertainty**

The following are the critical judgements, assumptions concerning the future, and key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **1 Useful lives of property, plant and equipment**

As described at Note 2.3 above, the charge in respect of periodic depreciation for the year is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed annually. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

#### **2 Employee Benefits**

The cost of defined benefit plans are determined using actuarial valuation, which involves making assumptions about discount rates, expected rates of return on assets, future salary increases, and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

#### **3 Provisions and contingencies**

Critical judgements are involved in measurement of provisions and contingencies including those relating to Tax/other statutory litigations and estimation of the likelihood of occurrence thereof based on factors such as expert opinion, past experience etc.

**INSPIRISYS SOLUTIONS IT RESOURCES LIMITED****Notes Forming Part Of The Financial Statements as at 31st March 2022****NOTE 2**

Financial Assets	Non-Current		Current	
	As at 31 Mar 2022	As at 31 Mar 2021	As at 31 Mar 2022	As at 31 Mar 2021
Security Deposits (Refer Note No. 2.1)	-	-	35,86,455	35,86,455
	-	-	<b>35,86,455</b>	<b>35,86,455</b>

**2.1 Contingencies and commitments**

a) Security Deposits include an amount of Rs 25,000/- deposited with SBI, Mandaveli Branch and the certificate deposited with District Consumer Dispute Redressal Forum in respect of a case pending before the forum for a claim of Rs 27,852/-.

b) During 2008-09, the company received a demand of Rs.2,205,475/- from the Regional Provident Fund Commissioner, Tamil Nadu & Pondicherry claiming a contribution for the period from March 2007 to March 2008 which is disputed by the company. The company has remitted an amount of Rs.441,095/- under protest, which is included under Security Deposits. The Provident Fund Tribunal has stayed the demand and the company is confident of a successful outcome based on legal opinion obtained.

c) During 2010-2011, the company received a further demand of Rs.1,62,12,255/- from the Regional Provident Fund Commissioner, Tamil Nadu and Pondicherry claiming a contribution for the period from April 2008 to August 2010 which is also disputed by the company. The company has remitted an amount of Rs.31,20,360/- under protest which is included under Security Deposits. The demand has been stayed by the Employee Provident Fund Appellate Tribunal, New Delhi. The company is confident of a successful outcome based on legal opinion obtained.

**NOTE -3****Cash and Cash equivalents**

	As at 31 Mar 2022	As at 31 Mar 2021
Balances with Banks in Current Accounts	-	94,167
<b>Total</b>	<b>-</b>	<b>94,167</b>

**NOTE -4****Share Capital:-****Authorised Capital**

50,00,000 (50,00,000) equity share of Rs 10 each

As at 31 Mar 2022	As at 31 Mar 2021
5,00,00,000	5,00,00,000

**Issued, Subscribed & Paid up**

30,00,000 (30,00,000) Equity shares of Rs 10 each fully paid up

**Total**

3,00,00,000	3,00,00,000
<b>3,00,00,000</b>	<b>3,00,00,000</b>

**4.1- Reconciliation Of the equity shares outstanding at the beginning and at the end of the reporting period:-**

Equity Shares	As At March 31 2022		As At March 31 2021	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000

**4.2- Rights, Preferences And Restrictions Attached To Shares****Equity Shares:-**

The Company has one class of equity shares having a par value of Rs.10 per share. Each share holder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding. However no such preferential amount exist currently. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the ensuing Annual General Meeting.

**4.3 - Shares Held By Holding Company and Subsidiary/ Associates of Holding Company****Equity Shares:-**

	As at 31 Mar 2022 Nos.	As at 31 Mar 2021 Nos.
30,00,000 shares (30,00,000) held by Inspirisys Solutions Limited , The Holding Company and 6 nominee shareholders	30,00,000	30,00,000

**4.4 - Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

SL No.	Name of Shareholder	As at 31 Mar 2022		As at 31st March 2021	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Inspirisys Solutions Limited (including 6 nominees)	30,00,000	100%	30,00,000	100%

**4.5) Details of Promoter shareholders of Equity shares at the end of the year**

SL No.	Name of Shareholder	As at 31 Mar 2022		As at 31st March 2021	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Inspirisys Solutions Limited (including 6 nominees)	30,00,000	100%	30,00,000	100%

**NOTE -5**

**Reserves & Surplus:-**

**A. Securities Premium Account**

	As at 31st March 2022	As at 31st March 2021
Balance as at the beginning of the year	5,00,00,000	5,00,00,000
<b>Balance as at the end of the year</b>	<b>5,00,00,000</b>	<b>5,00,00,000</b>

**B. Surplus/ (Deficit) for the year**

	As at 31st March 2022	As at 31st March 2021
Balance as at the beginning of the year	(7,64,13,545)	(7,65,80,982)
Profit / (Loss) For The Year	-	1,67,437
<b>Balance as at the end of the year</b>	<b>(7,64,13,545)</b>	<b>(7,64,13,545)</b>
<b>Total</b>	<b>(2,64,13,545)</b>	<b>(2,64,13,545)</b>

**NOTE -6**

**Other Current Liabilities:-**

	As at 31 Mar 2022	As at 31 Mar 2021
(a) Others	-	94,167
<b>Total</b>	<b>-</b>	<b>94,167</b>

**INSPIRISYS SOLUTIONS IT RESOURCES LIMITED**

**Notes Forming Part Of The Financial Statements For the year ended 31st March 2022**

**NOTE -7**

<b><u>Other Income:-</u></b>	<b>2021-22</b>	<b>2020-21</b>
Miscellaneous Income	-	10,274
Interest Received	-	14,057
Liabilities no longer payable written back	-	7,25,643
<b>Total</b>	<b>-</b>	<b>7,49,974</b>

**NOTE -8**

<b><u>Finance Costs</u></b>	<b>2021-22</b>	<b>2020-21</b>
Interest	-	762
	<b>-</b>	<b>762</b>

**NOTE -9**

<b>Other expenses</b>	<b>2021-22</b>	<b>2020-21</b>
Rent	-	12,000
Rates & Taxes	-	5,11,905
Auditors Remuneration (Refer Note No.9.1)	-	50,000
General Expenses	-	7,870
<b>Total</b>	<b>-</b>	<b>5,81,775</b>

**9.1 Provision / Payments in respect of Auditor's Remuneration [excluding GST]**

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Statutory Audit Fees	-	50,000
<b>Total</b>	<b>-</b>	<b>50,000</b>

**NOTE -10****Computation of Basic and Diluted Earnings Per Share****Basic and Diluted Earnings per Share:-**

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Net Profit / (Loss) available to Equity shareholders (Indian Rupees)	-	1,67,437
Number of equity shares of Rs.10/- fully paid up	30,00,000	30,00,000
Basic Earnings / (Loss) Per Rs. 10/- Equity Share	-	0.06

## INSPIRISYS SOLUTIONS IT RESOURCES LIMITED

### NOTES FORMING PART OF FINANCIAL STATEMENTS

#### Note 11 - FINANCIAL INSTRUMENTS

##### 11.1 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at 31st March, 2022, the Company has only one class of equity shares and has low external debt. There are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

11.2 Categories of financial instruments	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
- Cash and cash equivalents	-	94,167
- Other financial assets (Current)	35,86,455	35,86,455
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
- Trade payables	-	-
- Other Financial liabilities	-	94,167

In the opinion of the management, the carrying amounts of financial assets and financial liabilities recognised in the financial statements are a reasonable approximation of their fair values. Hence no separate disclosures of fair value has been made.

##### 11.3 Financial risk management

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

###### 11.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk mainly comprises of interest rate risk. Financial instruments affected by market risk includes borrowings, trade payables and trade receivables. The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

###### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

###### 11.3.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

###### 11.3.3 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves and line of credit with its Holding Company, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**INSPIRISYS SOLUTIONS IT RESOURCES LIMITED****Notes Forming Part Of The Financial Statements For The Year Ended 31st March 2022****12 Current Assets, loans and advances:-**

In the opinion of the Directors, the Current Assets have the value at which they are stated in the balance sheet, if realized in the ordinary course of business.

**13 Going Concern Assumption:-**

During the previous years, the company had gradually ceased its active operations in the field of coaching services. The board of directors is in the process of identifying alternative avenues of business for the company. As on 31st March, 2022, the assets carried by the company in its books of account comprises only of balance with government authorities.

In view of the above, the management is of the opinion that the cessation of business as above is not expected to have a material effect on the carrying value of the aforesaid assets & liabilities.

**14 Related party disclosures**

Related parties of the company are as follows:

<b>Key Management Personnel (KMP) and their relatives</b>	1. Malcolm F Mehta (Director)
<b>Holding Company</b>	Inspirisys Solutions Limited

**15 Unrecognised Deferred Tax Assets**

Deferred Tax Asset on unused tax losses incurred during the year and the previous year, as detailed hereunder, has not been recognised in the books of account as a matter of prudence

Particulars	31.03.2022	31.03.2021
Business Loss and Unabsorbed Depreciation	5,42,90,807	5,44,58,244
<b>Total</b>	<b>5,42,90,807</b>	<b>5,44,58,244</b>

**16 Contingent Liabilities**

Claims against company not acknowledged as debt are as follows:-

Particulars	As at 31st March 2022	As at 31st March 2021
District Consumer Dispute Redressal Forum See Note 2.1 (a)	27,852	27,852
Regional Provident Fund Commissioner, Tamil Nadu See Note 2.1 (b)	22,05,475	22,05,475
Regional Provident Fund Commissioner, Tamil Nadu See Note 2.1 (c)	1,62,12,255	1,62,12,255

**17 Additional Information pursuant to Companies Act, 2013****17.1 i. Earnings and Expenditure in Foreign Currency**

Sl. No.	Particulars	2021-22	2020-21
(i)	Earnings in Foreign Currency	NIL	NIL
(ii)	Expenditure in Foreign Currency:-	NIL	NIL

**ii. Non-Resident Share Holders**

Sl. No.	Particulars	2021-22	2020-21
(i)	Number of Non-Resident Shareholders	NIL	NIL
(ii)	Dividend paid to Non resident Share holders	NIL	NIL

**17.2** Since the company does not have any operations during the year, the disclosure in respect of Ratios has not been given.

**17.3** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Figures have been rounded off to the nearest rupee. Figures in brackets represent previous year's figures. Previous year's figures have been re-grouped and recast wherever necessary to be in conformity with current year's layout.

For and on behalf of the Board of Directors

As per our separate report of even date attached

Sd/-

**Malcolm F. Mehta**  
Director

Place : Chennai  
Date : 6th May, 2022

Sd/-

**Maqbool Hassan**  
Director

**For Varma & Varma**  
Chartered Accountants  
FRN 004532S

Sd/-

**Arjun R**  
Partner  
M.No. 226775