

ISL/SS/SE/12/2023-2024
10th May, 2023

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|---|--|
| The National Stock Exchange of India Ltd. Exchange Plaza Bandra-Kurla Complex Bandra East Mumbai 400 051 Symbol: INSPIRISYS | BSE Ltd. P.J. Towers Dalal Street Mumbai 400 001 Scrip Code: 532774 |
|---|--|

Dear Sir / Madam,

Sub: Outcome of the Board Meeting.

With reference to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we wish to inform you that, as required in terms of Regulation 30, 33 and other applicable provisions of Listing Regulations, the Board of Directors of Inspirisys Solutions Limited at its meeting held on 10th May, 2023 has inter alia:

1. Considered and approved the Standalone and Consolidated Audited Financial Results along with Statement of Assets & Liabilities for the period ended 31st March, 2023 on the recommendation of the Audit Committee.
2. Considered and approved the Audit Report.
3. Considered the Statement on Impact of Audit Qualification for the financial year ended 31st March, 2023 in respect to Standalone & Consolidated Audited Financial Statement.

It is further informed that the board meeting commenced at 12:30 PM and ended at 04:45 PM.

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

For Inspirisys Solutions Limited



S.Sundaramurthy
Company Secretary & Compliance Officer



Encl: as above

Insprisys Solutions Limited

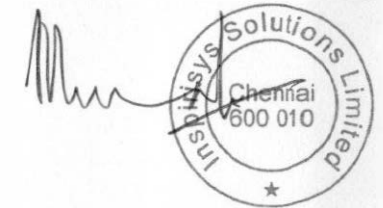
Regd Office : First Floor, Dowlath Towers, New Door Nos 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai 600 010

CIN No: L30006TN1995PLCO31736

Statement of standalone financial results for the quarter and year ended 31 March 2023

(₹ in Lakhs)

| S.No | Particulars | Standalone | | | | |
|------|--|---|---------------------------------|---|----------------------------|----------------------------|
| | | Quarter ended | | | Year ended | |
| | | 31 March 2023 (Audited refer note 3) | 31 December 2022 (Unaudited) | 31 March 2022 (Audited refer note 3) | 31 March 2023 (Audited) | 31 March 2022 (Audited) |
| 1 | Revenue from operations | 9,708 | 8,157 | 7,421 | 35,521 | 29,839 |
| 2 | Other income | 152 | 46 | 270 | 480 | 516 |
| 3 | Total Income (1+2) | 9,860 | 8,203 | 7,691 | 36,001 | 30,355 |
| 4 | Expenses | | | | | |
| | Cost of materials consumed | - | - | 3 | 4 | 91 |
| | Purchases of stock-in-trade | 2,963 | 2,081 | 1,459 | 10,881 | 8,216 |
| | Changes in inventories of stock in trade and finished goods | 42 | 33 | 153 | 68 | 148 |
| | Employee benefits expense | 2,463 | 2,464 | 2,322 | 9,905 | 9,339 |
| | Impairment losses (reversal) / charged | (15) | 27 | 91 | 140 | 766 |
| | Other expenses | 2,979 | 2,932 | 2,842 | 11,589 | 10,498 |
| 5 | Total expenses | 8,432 | 7,537 | 6,870 | 32,587 | 29,058 |
| 6 | Profit before tax, finance cost, depreciation and amortization expenses (3-5) | 1,428 | 666 | 821 | 3,414 | 1,297 |
| | Finance costs | 142 | 136 | 99 | 650 | 550 |
| | Depreciation and amortization expenses | 174 | 127 | 136 | 558 | 547 |
| 7 | Profit before tax | 1,112 | 403 | 586 | 2,206 | 200 |
| 8 | Tax expense: | | | | | |
| | Current tax | 188 | 74 | 101 | 411 | 171 |
| 9 | Profit for the period / year (7-8) | 924 | 329 | 485 | 1,795 | 29 |
| 10 | Other comprehensive income | | | | | |
| | i) Items that will not be reclassified to profit or loss | | | | | |
| | - Re-measurements (losses) / gains on defined benefit plans | (8) | (54) | 24 | (78) | (19) |
| | - Income tax relating to items that will not be reclassified to profit or loss | 2 | 15 | (2) | 22 | 5 |
| | ii) Items that will be reclassified to profit or loss | | | | | |
| | - Exchange difference on translation of foreign operations | 9 | - | 14 | 64 | (13) |
| | - Income tax relating on translation of foreign operations | (2) | - | (1) | (18) | 4 |
| 11 | Other comprehensive income for the period / year, net of tax | 1 | (39) | 35 | (10) | (23) |
| 12 | Total comprehensive income for the period / year (9+11) | 925 | 290 | 520 | 1,785 | 6 |
| 13 | Paid up equity share capital | 3,962 | 3,962 | 3,962 | 3,962 | 3,962 |
| 14 | Other equity | | | | 5,033 | 3,248 |
| 15 | Earnings per equity share | | | | | |
| | Basic and Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised) | 2.33 | 0.83 | 1.22 | 4.53 | 0.07 |



Inspirisys Solutions Limited

Regd Office : First Floor, Dowmath Towers, New Door Nos 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai 600 010

CIN No: L30006TN1995PLCO31736

Statement of consolidated financial results for the quarter and year ended 31 March 2023

(₹ in Lakhs)

| S.No | Particulars | Consolidated | | | | |
|------|--|---|---------------------------------|---|----------------------------|----------------------------|
| | | Quarter ended | | | Year ended | |
| | | 31 March 2023 (Audited refer note 3) | 31 December 2022 (Unaudited) | 31 March 2022 (Audited refer note 3) | 31 March 2023 (Audited) | 31 March 2022 (Audited) |
| 1 | Revenue from operations | 10,502 | 9,237 | 8,266 | 39,035 | 34,162 |
| 2 | Other income | 135 | 70 | 245 | 487 | 536 |
| 3 | Total income (1+2) | 10,637 | 9,307 | 8,511 | 39,522 | 34,698 |
| 4 | Expenses | | | | | |
| | Cost of materials consumed | - | - | 3 | 4 | 91 |
| | Purchases of stock-in-trade | 3,027 | 2,331 | 1,493 | 11,371 | 8,328 |
| | Changes in inventories of stock in trade and finished goods | 42 | 33 | 153 | 68 | 148 |
| | Employee benefits expense | 3,094 | 3,051 | 3,014 | 12,447 | 12,464 |
| | Impairment losses (reversal) / charged | 299 | 27 | (231) | 454 | 693 |
| | Other expenses | 3,496 | 3,345 | 3,112 | 13,383 | 12,745 |
| 5 | Total expenses | 9,958 | 8,787 | 7,544 | 37,727 | 34,469 |
| 6 | Profit before tax, finance cost, depreciation and amortization expenses (3-5) | 679 | 520 | 967 | 1,795 | 229 |
| | Finance costs | 261 | 248 | 187 | 1,078 | 843 |
| | Depreciation and amortization expenses | 174 | 128 | 137 | 560 | 549 |
| 7 | Profit / (loss) before tax | 244 | 144 | 643 | 157 | (1,163) |
| 8 | Total tax expense: | | | | | |
| | Current tax | 188 | 74 | 101 | 411 | 171 |
| 9 | Profit / (loss) for the period/year (7-8) | 56 | 70 | 542 | (254) | (1,334) |
| 10 | Other comprehensive income | | | | | |
| | <i>ij) Items that will not be reclassified to profit or loss</i> | | | | | |
| | - Re-measurement gains / (losses) on defined benefit plans | (14) | (54) | 24 | (84) | (19) |
| | - Income tax relating to items that will not be reclassified to profit or loss | 2 | 15 | - | 22 | 5 |
| | <i>ii) Items that will be reclassified to profit or loss</i> | | | | | |
| | - Exchange difference on translation of foreign subsidiaries and operations | 27 | (281) | (54) | (582) | (105) |
| | - Income tax relating on translation of foreign subsidiaries and foreign operations | (2) | - | (3) | (18) | 4 |
| 11 | Other comprehensive income for the period / year, net of tax | 13 | (320) | (33) | (662) | (115) |
| 12 | Total comprehensive income for the period / year (9+11) | 69 | (250) | 509 | (916) | (1,449) |
| 13 | Profit attributable to: | | | | | |
| | Owners of the company | 56 | 70 | 542 | (254) | (1,334) |
| | Non-controlling interest | - | - | - | - | - |
| | Other comprehensive income attributable to: | | | | | |
| | Owners of the company | 13 | (320) | (33) | (662) | (115) |
| | Non-controlling interest | - | - | - | - | - |
| 14 | Total comprehensive income attributable to: | | | | | |
| | Owners of the company | 69 | (250) | 509 | (916) | (1,449) |
| | Non-controlling interest | - | - | - | - | - |
| 15 | Paid up equity share capital | 3,962 | 3,962 | 3,962 | 3,962 | 3,962 |
| 16 | Other equity | | | | (4,799) | (3,883) |
| 17 | Earnings per equity share | | | | | |
| | Basic and Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised) | 0.14 | 0.18 | 1.37 | (0.64) | (3.37) |




Note

- 1 The above financial results was reviewed by the Audit Committee and approved by the Board at its meeting held on 10 May 2023. The Standalone and consolidated financial results are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (IndAS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (as amended).
- 2 The Company has a trade receivable of ₹ 4,033 Lakhs as on 31 March 2023 from one of its subsidiary company Inspirisys Solutions North America, Inc (ISNA). The aforesaid balance reflects accumulation of receivables since 2016-17 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 US customers of ISNA from ISL India. ISNA has been working with customers in North America and have been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represents services performed and billed on ISNA over the years in respect of offshore services for the clients of ISNA. The Management is working on turning around the business performance of ISNA and are hopeful of generating profits to pay ISL India against the trade receivables and to this effect have drawn up business plans for the subsidiary for the next few years. In view of the above, the Management considers not making any provision towards any expected credit loss against these accounts receivable from ISNA including GST liability if any on such export receivables together with interest thereon as we are hopeful of collecting the dues from ISNA. 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 financial results.
- 3 With respect to Standalone and Consolidated financial results, the figure for the quarter ended 31 March 2023 and 31 March 2022 represents the difference between the audited figure in respect of full financial year and published figure for the nine months ended 31 December 2022 and 31 December 2021 respectively.
- 4 During the year 2021-22, the Company had received a show cause notice from SEBI under sections 11(1), 11(4), 11(4A), 11 B(1) and 11 B(2) read with 15HA and 15HB of the Securities Exchange Board of India Act, 1992, and Rule 4(1) of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and Sections 12A(1), 12A(2) read with 23E and 23H of the Securities Contracts (Regulation) Act, 1956 and Rule 4(1) of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 in the matter of alleged misrepresentation of financials / manipulation of books of accounts of Inspirisys Solutions Limited (formerly known as Accel Frontline Limited), in relation to FY 2012-13 to FY 2015-16. The Company's management has engaged legal counsel and has been evaluating the options that are available for the company to pursue. The Company's management believes that such alleged violations will not have any material impact in the financial results of the year under consideration.
- 5 The Company is in receipt of resignation letter from one of the Independent Directors, Mr Raj Khalid, due to his name appearing in the list of disqualified directors released by the Registrar of Companies, Mumbai on 7 September 2017 and 3 February 2020, for reasons as more particularly provided therein. The Board of Directors has taken record of his resignation with effect from 30 April 2023 basis the resignation letter submitted and has taken required steps in reconstituting its committees, where such director was a member. The Management is of the view that the stated events do not have a material impact on these financial results or functioning of the Company.
- 6 In accordance with IndAS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial results.
- 7 The consolidated financial results comprises the financial results of the company and its subsidiaries.
- 8 Earning per share is not annualised for the quarter ended 31 March 2023, 31 December 2022 and 31 March 2022.
- 9 Figures for the previous year have been regrouped/rearranged wherever necessary.

Place: Chennai
Date: 10 May 2023

For Inspirisys Solutions Limited


Murali Gopalakrishnan
Executive Director and Chief Executive Officer



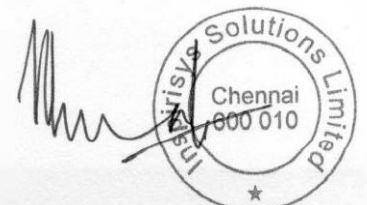
Inspirisys Solutions Limited

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

Statement of Financial position as at 31 March 2023

(₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | As at 31 March 2023 (Audited) | As at 31 March 2022 (Audited) | As at 31 March 2023 (Audited) | As at 31 March 2022 (Audited) |
| Assets | | | | |
| Non current assets | | | | |
| Property plant and equipment | 442 | 474 | 450 | 484 |
| Goodwill | 542 | 542 | 542 | 542 |
| Other intangible assets | 363 | 434 | 363 | 434 |
| Intangibles assets under development | 42 | - | 42 | - |
| Right of use asset | 204 | 386 | 204 | 386 |
| Financial assets | | | | |
| - Trade receivables | 39 | 30 | 39 | 30 |
| - Bank balances | 122 | 338 | 122 | 338 |
| - Other financial assets | 176 | 61 | 198 | 81 |
| Deferred tax assets, net | - | - | - | - |
| Income tax assets (net) | 3,199 | 3,736 | 3,199 | 3,736 |
| Other non-current assets | 607 | 468 | 741 | 509 |
| Total | 5,736 | 6,469 | 5,900 | 6,540 |
| Current assets | | | | |
| Inventories | 364 | 435 | 364 | 435 |
| Financial assets | | | | |
| - Trade receivables | 11,750 | 8,970 | 8,348 | 6,471 |
| - Cash and cash equivalents | 2,908 | 1,675 | 3,081 | 2,183 |
| - Other financial assets | 692 | 431 | 697 | 435 |
| Other current assets | 2,044 | 3,106 | 2,813 | 3,898 |
| | 17,758 | 14,617 | 15,303 | 13,422 |
| Total Assets | 23,494 | 21,086 | 21,203 | 19,962 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Equity share capital | 3,962 | 3,962 | 3,962 | 3,962 |
| Other equity | 5,033 | 3,248 | (4,799) | (3,883) |
| Total equity | 8,995 | 7,210 | (837) | 79 |
| Liabilities | | | | |
| Non - current liabilities | | | | |
| Financial Liabilities | | | | |
| - Borrowings | 19 | 25 | 553 | 269 |
| - Lease liabilities | 77 | 261 | 77 | 261 |
| Provisions | 674 | 646 | 921 | 835 |
| Total | 770 | 932 | 1,551 | 1,365 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| - Borrowings | 4,224 | 5,478 | 9,715 | 10,211 |
| - Lease liabilities | 159 | 171 | 159 | 171 |
| - Trade payables | | | | |
| a) Dues to micro and small enterprises | 166 | 233 | 166 | 233 |
| b) Total outstanding dues of creditors other than micro and small enterprises | 4,386 | 2,285 | 4,623 | 2,479 |
| - Other financial liabilities | 2,124 | 1,783 | 2,837 | 2,138 |
| Other current liabilities | 2,478 | 2,822 | 2,703 | 3,059 |
| Provisions | 192 | 172 | 286 | 227 |
| Total | 13,729 | 12,944 | 20,489 | 18,518 |
| Total liabilities | 14,499 | 13,876 | 22,040 | 19,883 |
| Total equity and liabilities | 23,494 | 21,086 | 21,203 | 19,962 |



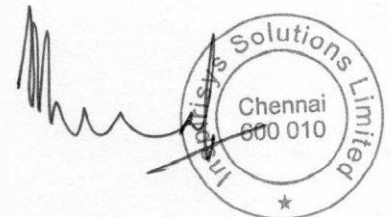
Inspirisys Solutions Limited

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 CIN No: L30006TN1995PLCO31736

Statement of Cash Flows for the year ended 31 March 2023

₹ in Lakhs.

| Particular | Standalone | | Consolidated | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| A. Cash flow from operating activities | | | | |
| Profit / (Loss) before tax | 2,206 | 200 | 157 | (1,163) |
| Adjustments for: | | | | |
| Depreciation and amortization expense | 558 | 547 | 560 | 549 |
| Reversal of lease liabilities | (28) | (61) | (28) | (61) |
| Interest expense | 650 | 550 | 1,078 | 843 |
| Interest Income | (64) | (36) | (64) | (25) |
| Impairment losses and liquidated damages | 241 | 766 | 509 | 693 |
| Provision for inventory obsolescence | (9) | 83 | (9) | 83 |
| (Reversal) / provision for gratuity and compensated absences | (125) | (15) | (52) | (87) |
| Net unrealised foreign exchange (gain) / loss | (160) | (176) | (146) | (6) |
| Provision / reversal of provision for warranty | 95 | 44 | 95 | 44 |
| Liabilities no longer required written back | (135) | (257) | (198) | (320) |
| Bad debts written off | 20 | - | 171 | 141 |
| Interest on income tax refund | (44) | (106) | (44) | (106) |
| Profit on sale of property, plant and equipment | (3) | - | (3) | - |
| Operating profit before working capital changes | 3,202 | 1,539 | 2,026 | 585 |
| Decrease in inventories | 80 | 79 | 80 | 79 |
| (Increase) / decrease in trade receivables | (2,574) | 2,102 | (3,088) | 2,552 |
| (Increase) / decrease in other financial assets | (376) | 247 | (278) | 259 |
| (Increase) / decrease in other non-current assets | (139) | 17 | (184) | 11 |
| (Increase) / decrease in other current assets | 1,062 | (437) | 1,121 | (160) |
| Increase / (decrease) in trade payables | 2,034 | (2,924) | 2,666 | (3,243) |
| Increase / (decrease) in other financial liabilities | 476 | 265 | (548) | (330) |
| Increase / (decrease) in other current liabilities | (344) | 560 | (150) | (795) |
| Cash generated from / (used in) operating activities | 3,421 | 1,448 | 1,646 | (1,042) |
| Direct taxes (paid) / refund, net | 174 | (148) | 174 | (148) |
| Net cash generated from / (used in) operating | 3,595 | 1,300 | 1,820 | (1,190) |
| B. Cash flow from investing activities | | | | |
| Purchase of property, plant and equipment and intangible assets | (254) | (205) | (254) | (206) |
| Proceeds from sale of property, plant and equipment and other intangible assets | 3 | - | 3 | - |
| Interest received | 64 | 34 | 64 | 25 |
| Net movement in bank deposits | 216 | 434 | 216 | 434 |
| Net cash generated from investing activities | 29 | 263 | 29 | 253 |
| C. Cash flow from financing activities | | | | |
| Repayment of long term borrowings, net | (3) | (19) | - | (19) |
| (Repayment of) / proceeds from short term borrowings, net | (1,565) | (1,824) | 359 | 1,087 |
| Payment of lease liabilities (including interest) | (271) | (214) | (271) | (214) |
| Interest paid | (629) | (550) | (1,172) | (854) |
| Net cash (used in) financing activities | (2,468) | (2,607) | (1,084) | - |
| D. Net change in cash and cash equivalents | 1,156 | (1,044) | 764 | (937) |
| E. Cash and cash equivalents at the beginning | 1,675 | 2,697 | 2,183 | 3,082 |
| Effects of foreign currency translation | 77 | 22 | 134 | 38 |
| F. Cash and cash equivalents at the end | 2,908 | 1,675 | 3,081 | 2,183 |
| Cash and cash equivalents include | | | | |
| Cash on hand | 4 | 4 | 4 | 5 |
| Balances with banks in current accounts | 2,904 | 1,671 | 3,077 | 2,178 |
| Cash and cash equivalents | 2,908 | 1,675 | 3,081 | 2,183 |



Inspirisys Solutions Limited

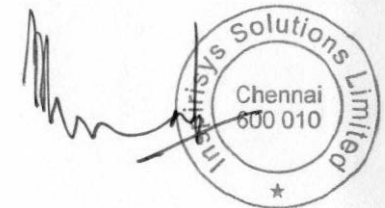
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CIN No: L30006TN1995PLCO31736

Consolidated Segment Information for the quarter and year ended 31 March 2023:

(₹ in Lakhs)

| Particulars | Consolidated | | | | |
|---|---------------|------------------------|---------------|---------------|----------------|
| | Quarter ended | | | Year ended | |
| | 31 March 2023 | 31 December 2022 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| (Audited refer note 3) | (Unaudited) | (Audited refer note 3) | (Audited) | (Audited) | |
| 1. Segment Revenue | | | | | |
| Systems Integration | 3,412 | 2,626 | 1,532 | 12,117 | 8,344 |
| Services | 6,788 | 6,289 | 6,421 | 25,644 | 24,479 |
| Warranty Management Services | 302 | 322 | 313 | 1,274 | 1,339 |
| Revenue from Operations | 10,502 | 9,237 | 8,266 | 39,035 | 34,162 |
| 2. Segment result | | | | | |
| Systems Integration | 461 | 68 | (1,088) | 560 | (1,596) |
| Services | 470 | 883 | 3,208 | 2,603 | 3,881 |
| Warranty Management Services | 11 | 33 | 64 | 105 | (18) |
| Total | 942 | 984 | 2,184 | 3,268 | 2,267 |
| (i) Finance costs | (261) | (248) | (187) | (1,078) | (843) |
| (ii) Other unallocable expenses | (572) | (662) | (1,599) | (2,520) | (3,123) |
| Other income | 135 | 70 | 245 | 487 | 536 |
| Total (Loss) / Profit Before Tax | 244 | 144 | 643 | 157 | (1,163) |
| 3. Segment Assets | | | | | |
| Systems Integration | 3,636 | 3,026 | 1,739 | 3,636 | 1,739 |
| Services | 9,729 | 10,085 | 10,996 | 9,729 | 10,996 |
| Warranty Management Services | 783 | 846 | 580 | 783 | 580 |
| Training | 35 | 35 | 35 | 35 | 35 |
| Unallocated | 7,020 | 7,233 | 6,612 | 7,020 | 6,612 |
| Total Assets | 21,203 | 21,225 | 19,962 | 21,203 | 19,962 |
| 3. Segment Liabilities | | | | | |
| Systems Integration | 3,370 | 3,652 | 1,791 | 3,370 | 1,791 |
| Services | 7,614 | 6,122 | 5,655 | 7,614 | 5,655 |
| Warranty Management Services | 370 | 410 | 481 | 370 | 481 |
| Training | 3 | 3 | 3 | 3 | 3 |
| Unallocated | 10,683 | 11,944 | 11,953 | 10,683 | 11,953 |
| Total Liabilities | 22,040 | 22,131 | 19,883 | 22,040 | 19,883 |



Walker ChandioK & Co LLP

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

To the Board of Directors of Inspirisys Solutions Limited

Qualified Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of Inspirisys Solutions Limited ('the Company') for the year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the possible effects of the matter described in paragraph 3 below; and
 - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2023 except for the possible effects of the matter described in paragraph 3 below.



Chartered Accountants

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

Walker ChandioK & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Walker ChandioK & Co LLP

Basis for Qualified Opinion

3. As detailed in Note 2 to the standalone financial results, the Company has reported an amount of ₹ 4,033 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 March 2023 which are significantly over-due. Further, due to non-realization of aforesaid trade receivables within the prescribed time limit, the Company is in non-compliance with Clause C.20 of the Master Direction – Export of Goods and Services (Updated as on November 22, 2022) (“Master Direction”) and is liable to pay Goods and Service Tax (GST) liability along with interest and penalty on such export sales in accordance with sub rule 1 of 96A of CGST rules. The impact of non-compliance with the Master Direction for non-realization of export proceeds within stipulated timeline has been determined by the Management to be immaterial to the standalone financial results. The management is confident of recovering the aforesaid receivables from the subsidiary based on the business plans as detailed out in the management note and accordingly, no expected credit loss provision has been made against such long outstanding receivables under Ind AS 109, Financial Instruments and no provision is recognized towards aforesaid GST liability including interest and penalty. However, in the absence of sufficient appropriate audit evidence regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the recoverability of the carrying value of the said trade receivables as at 31 March 2023 and impact on Goods and Service Tax liability, including penalty and interest that may be levied, and the consequential impact thereof, if any, on the accompanying standalone financial results.

Our report on the audited financial results for the quarter and year ended 31 March 2023 and 31 March 2022 and review report on unaudited standalone financial results for the quarter ended 31 December 2022 has been qualified on this regard.

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

Emphasis of Matter – Show Cause Notice from SEBI

5. We draw attention to Note 4 to the accompanying standalone financial results, which describes uncertainty related to outcome in respect of show cause notice received from the Securities Exchange Board of India for alleged violations with the Securities Exchange Board of India Act, 1992 and Securities Contracts (Regulation) Act, 1956 and rules and regulations made thereunder in earlier years. In view of the Company’s management, the aforesaid matter is not expected to have a material impact on the accompanying standalone financial results of the Company. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Disqualification and Resignation of Director

6. We draw attention to Note 5 to the accompanying standalone financial results, which describes that one of the directors of the Company has resigned during the year pursuant to disqualification under section 164 (2) of the Companies Act, 2013. In view of the management, the aforesaid matter does not have a material impact on the accompanying standalone financial results or functioning of the Company. Our Opinion is not modified in respect of this matter.

Chartered Accountants

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



Walker ChandioK & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

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Responsibilities of Management and Those Charged with Governance for the Statement

7. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
8. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

10. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
11. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



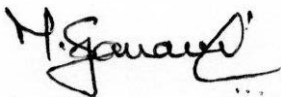
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- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

14. The Statement includes the financial results for the quarter ended 31 March 2023, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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



Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
UDIN: 23118617BGTFQR1030



Place: Chennai
Date: 10 May 2023

Walker Chandiook & Co LLP

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

To the Board of Directors of Inspirisys Solutions Limited

Qualified Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Inspirisys Solutions Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2023, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, as referred to in paragraph 15 below, the Statement:
 - (i) includes the annual financial results of the following entities;
 - a. Inspirisys Solutions DMCC, UAE
 - b. Inspirisys Solutions Europe Limited, UK
 - c. Inspirisys Solutions IT Resources Limited, India
 - d. Inspirisys Solutions Japan Kabushiki Kaisha, Japan
 - e. Inspirisys Solutions North America Inc., USA
 - f. Network Programs (USA) Inc., USA
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the possible effects of the matter described in paragraph 3 below; and



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(iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive income and other financial information of the Group for the year ended 31 March 2023 except for the possible effects of the matter described in paragraph 3 below.

Basis for Qualified Opinion

- As detailed in Note 2 to the consolidated financial results, the Holding Company has reported an amount of ₹ 4.033 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 March 2023 which are significantly over-due. Further due to non-realization of aforesaid trade receivables within the prescribed time limits, the Holding Company is in non-compliance with Clause C.20 of the Master Direction – Export of Goods and Services (Updated as on November 22, 2022) ("Master Direction") and is liable to pay Goods and Service Tax (GST) liability along with interest and penalty on such export sales in accordance with sub rule 1 of 96A of CGST rules. The impact of non-compliance with the Master Direction for non-realization of export proceeds within stipulated timeline has been determined by the Management to be immaterial to the consolidated financial results. The management is confident of recovering the aforesaid receivables from the subsidiary based on the business plans as detailed out in the management note and accordingly, no provision is recognized towards aforesaid GST liability including interest and penalty. However, in the absence of sufficient appropriate audit evidences regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the impact on Goods and Service Tax liability, including penalty and interest that may be levied and the consequential impact thereof, if any, on the accompanying consolidated financial results.
- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter – Show Cause Notice from SEBI

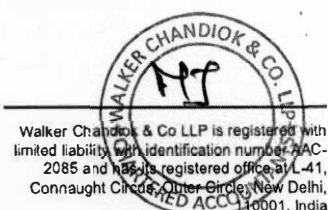
- We draw attention to Note 4 to the accompanying consolidated financial results, which describes uncertainty related to outcome in respect of show cause notice received from the Securities Exchange Board of India for alleged violations with the Securities Exchange Board of India Act, 1992 and Securities Contracts (Regulation) Act, 1956 and rules and regulations made thereunder in earlier years. In view of the Holding Company's management, the aforesaid matter is not expected to have a material impact on the accompanying consolidated financial results of the Company. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Disqualification and Resignation of Director

- We draw attention to Note 5 to the accompanying consolidated financial results, which describes that one of the directors of the Company has resigned during the year pursuant to disqualification under section 164 (2) of the Companies Act, 2013. In view of the management, the aforesaid matter does not have a material impact on the accompanying consolidated financial results or functioning of the Company. Our Opinion is not modified in respect of this matter.

Chartered Accountants

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

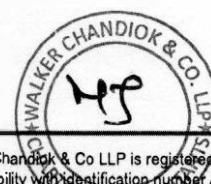


Responsibilities of Management and Those Charged with Governance for the Statement

7. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss and other comprehensive income, and other financial information of the Group in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
8. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

10. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
11. As part of an audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of Board of Directors's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. 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.
14. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.



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Other Matters

15. We did not audit the annual financial results of 6 subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 5,585 Lakhs as at 31 March 2023, total revenues of ₹ 5,024 Lakhs, total net loss after tax of ₹ 2,054 Lakhs, total comprehensive loss of ₹ 2,060 Lakhs, and cash flows net outflow of ₹ 335 Lakhs for the year ended on that date, as considered in the Statement as considered in the respective audited separate annual financial statements of the entities included in the Group. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 14 above.

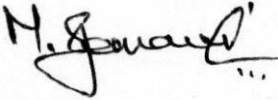
Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

16. The Statement includes the consolidated financial results for the quarter ended 31 March 2023, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker ChandioK & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



Mehulkumar Sharadkumar Janani

Partner

Membership No. 118617

UDIN: 23118617BGTFQS5802



Place: Chennai

Date: 10 May 2023

Inspirisys Solutions Limited

Annexure I

Statement on Impact of Audit Qualifications

(For audit report with modified opinion) submitted along-with Annual Audited Financial Results- Standalone for Financial Year March 31, 2023.

(Rs. In lacs except earnings per share)




| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 { see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016} | | | | |
|---|---------|--|--|---|
| I. | Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) | Audited Figures (audited figures after adjusting for qualifications) |
| | 1. | Turnover / Total Income | 36,001 | 36,001 |
| | 2. | Total Expenditure | 34,206 | 34,206 |
| | 3. | Net profit after tax | 1,795 | 1,795 |
| | 4. | Earnings Per Share | 4.53 | 4.53 |
| | 5. | Total Assets | 23,494 | 23,494 |
| | 6. | Total Liabilities | 14,499 | 14,499 |
| | 7. | Net Worth | 8,995 | 8,995 |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | - | - |
| II. Audit Qualification | | | | |
| | | (a) Details of Audit Qualification: | (b) Type of Audit Qualification: | (c) Frequency of Qualification |
| | (i) | As detailed in Note 2 to the standalone financial results, the Company has reported an amount of ₹ 4,033 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 March 2023 which are significantly over-due. Further, due to non-realization of aforesaid trade receivables within the prescribed time limit, the Company is in non-compliance with Clause C.20 of the Master Direction – Export of Goods and Services (Updated as on November 22, 2022) (“Master Direction”) and is liable to pay Goods and Service Tax (GST) liability along with interest and penalty on such export sales in accordance with sub rule 1 of 96A of CGST rules. The impact of non-compliance with the Master Direction for non-realization of export proceeds within stipulated timeline has been determined by the Management to be immaterial to the standalone financial results. The management is confident of recovering the aforesaid receivables from the subsidiary based on the business plans as detailed out in the management note and accordingly, no expected credit loss provision has been made against such long outstanding receivables under Ind AS 109, Financial Instruments and no provisions recognized | Qualified Opinion | Continuing |

[Signature]

[Signature]

| | | | |
|--|---|--|--|
| | towards aforesaid GST liability including interest and penalty. However, in the absence of sufficient appropriate audit evidence regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the recoverability of the carrying value of the said trade receivables as at 31 March 2023 and impact on Goods and Service Tax liability, including penalty and interest that may be levied, and the consequential impact thereof, if any, on the accompanying standalone financial results | | |
|--|---|--|--|

| | | | |
|----|--|---|--|
| d. | For Audit Qualification(s) where the impact is quantified by the auditor, Management's views: | Not applicable | |
| e. | For Audit Qualification(s) where the impact is not quantified by the auditor: | Applicable | |
| | (i) Management's estimation on the impact of audit qualification: | Not applicable | |
| | (ii) If management is unable to estimate the impact, reasons for the same: | <p>The Company has a trade receivable of ₹ 4,033 Lakhs as on 31 March 2023 from one of its subsidiary companies Inspirisys Solutions North America, Inc (ISNA). The aforesaid balance reflects accumulation of receivables since 2016-17 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 US customers of ISNA from ISL India. ISNA has been working with customers in North America and have been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represents services performed and billed on ISNA over the years in respect of offshore services for the clients of ISNA. The Management is working on turning around the business performance of ISNA and are hopeful of generating profits to pay ISL India against the trade receivables and to this effect have drawn up business plans for the subsidiary for the next few years. In view of the above, the Management considers not making any provision towards any expected credit loss against these accounts receivable from ISNA including GST liability if any on</p> | |

| | | | | | | |
|--|---|--|--|---|---|---|
| | | <p>such export receivables together with interest thereon as we are 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 results.</p> | | | | |
| | <p>(iii) Auditor's Comments on (i) or (ii) above:</p> | <p>Due to the uncertainty regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the recoverability of the carrying value of the said trade receivables as at 31 March 2023 and consequent impact on the financial statements for the year ended 31 March 2023.</p> | | | | |
| <p>III</p> <p>Signed by:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>For Walker Chandiook & Co LLP Chartered Accountants Firm's Registration No.: 001076N/N500013</p> <p></p> <p>Mehulkumar Sharadkumar Janani Partner Membership No. 118617</p> <p style="text-align: center;"></p> </td> <td style="width: 50%; vertical-align: top;"> <p>For and on behalf of the Board of Directors of Inspirisys Solutions Limited</p> <p></p> <p>Murali Gopalakrishnan Executive Director & Chief Executive Officer</p> <p></p> <p>Rajesh Ramniklal Muni Chairman of Audit Committee</p> <p></p> <p>R Balaji Chief Financial Officer</p> </td> </tr> <tr> <td style="vertical-align: top;"> <p>Place: Chennai Date: 10 May 2023</p> </td> <td style="vertical-align: top;"> <p>Place: Chennai Date: 10 May 2023</p> </td> </tr> </table> | | | <p>For Walker Chandiook & Co LLP Chartered Accountants Firm's Registration No.: 001076N/N500013</p> <p></p> <p>Mehulkumar Sharadkumar Janani Partner Membership No. 118617</p> <p style="text-align: center;"></p> | <p>For and on behalf of the Board of Directors of Inspirisys Solutions Limited</p> <p></p> <p>Murali Gopalakrishnan Executive Director & Chief Executive Officer</p> <p></p> <p>Rajesh Ramniklal Muni Chairman of Audit Committee</p> <p></p> <p>R Balaji Chief Financial Officer</p> | <p>Place: Chennai Date: 10 May 2023</p> | <p>Place: Chennai Date: 10 May 2023</p> |
| <p>For Walker Chandiook & Co LLP Chartered Accountants Firm's Registration No.: 001076N/N500013</p> <p></p> <p>Mehulkumar Sharadkumar Janani Partner Membership No. 118617</p> <p style="text-align: center;"></p> | <p>For and on behalf of the Board of Directors of Inspirisys Solutions Limited</p> <p></p> <p>Murali Gopalakrishnan Executive Director & Chief Executive Officer</p> <p></p> <p>Rajesh Ramniklal Muni Chairman of Audit Committee</p> <p></p> <p>R Balaji Chief Financial Officer</p> | | | | | |
| <p>Place: Chennai Date: 10 May 2023</p> | <p>Place: Chennai Date: 10 May 2023</p> | | | | | |



Inspirisys Solutions Limited

Annexure I

Statement on Impact of Audit Qualifications

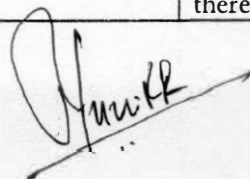
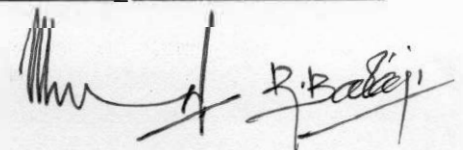
(For audit report with modified opinion) submitted along-with Annual Audited Financial Results- Consolidated for Financial Year March 31, 2023.

(Rs. In lacs except earnings per share)

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 { see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016} | | | | |
|---|---------------------|--|--|---|
| I. | Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) | Audited Figures (audited figures after adjusting for qualifications) |
| | 1. | Turnover / Total Income | 39,522 | 39,522 |
| | 2. | Total Expenditure | 39,776 | 39,776 |
| | 3. | Net (Loss) after tax | (254) | (254) |
| | 4. | (Loss) Per Share | (0.64) | (0.64) |
| | 5. | Total Assets | 21,203 | 21,203 |
| | 6. | Total Liabilities | 22,040 | 22,040 |
| | 7. | Net Worth | (837) | (837) |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | - | - |
| II. | Audit Qualification | | | |
| | | (a) Details of Audit Qualification: | (b) Type of Audit Qualification: | (c) Frequency of Qualification |
| | (i) | As detailed in Note 2 to the consolidated financials results, the Holding Company has reported an amount of ₹ 4,033 lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 March 2023 which are significantly over-due. Further due to non-realization of aforesaid trade receivables within the prescribed time limits, the Holding Company is in noncompliance with Clause C.20 of the Master Direction – Export of Goods and Services (Updated as on November 22, 2022) (“Master Direction”) and is liable to pay Goods and Service Tax (GST) liability along with interest and penalty on such export sales in accordance with sub rule 1 of 96A of CGST rules. The impact of non-compliance with the Master Direction for non-realization of export proceeds within stipulated timeline has been determined by the Management to be immaterial to the consolidated financial results. The management is confident of recovering the aforesaid receivables from the subsidiary based on the business plans as detailed out in the management note and accordingly, no provision is recognized towards aforesaid GST liability including interest and penalty. However, in | Qualified Opinion | Continuing |

| | | | |
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| | the absence of sufficient appropriate audit evidences regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the impact on Goods and Service Tax liability, including penalty and interest that may be levied and the consequential impact thereof, if any, on the accompanying consolidated financial results. | | |
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| d. | For Audit Qualification(s) where the impact is quantified by the auditor, Management's views: | Not applicable | |
| e. | For Audit Qualification(s) where the impact is not quantified by the auditor: | Applicable | |
| | (i) Management's estimation on the impact of audit qualification: | Not applicable | |
| | (ii) If management is unable to estimate the impact, reasons for the same: | <p>The Company has a trade receivable of ₹ 4,033 Lakhs as on 31 March 2023 from one of its subsidiary companies Inspirisys Solutions North America, Inc (ISNA). The aforesaid balance reflects accumulation of receivables since 2016-17 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 US customers of ISNA from ISL India. ISNA has been working with customers in North America and have been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represents services performed and billed on ISNA over the years in respect of offshore services for the clients of ISNA. The Management is working on turning around the business performance of ISNA and are hopeful of generating profits to pay ISL India against the trade receivables and to this effect have drawn up business plans for the subsidiary for the next few years. In view of the above, the Management considers not making any provision towards any expected credit loss against these accounts receivable from ISNA including GST liability if any on such export receivables together with interest thereon as we are hopeful of collecting the</p> | |

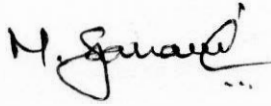



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| | | realization of export proceeds within stipulated timeline has been determined to be immaterial to the consolidated financial results. |
| | (iii) Auditor's Comments on (i) or (ii) above: | Due to the uncertainty regarding implication of non compliance with respect to sub rule 1 of 96A of CGST rules, we unable to comment upon implication as at 31 March 2023. |

III

Signed by:

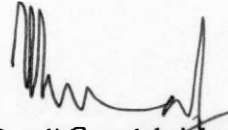
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617



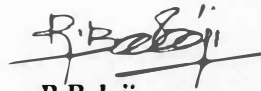
For and on behalf of the Board of Directors of
Inspirisys Solutions Limited



Murali Gopalakrishnan
Executive Director & Chief Executive Officer



Rajesh Ramniklal Muni
Chairman of Audit Committee



R Balaji
Chief Financial Officer

Place: Chennai
Date: 10 May 2023

Place: Chennai
Date: 10 May 2023

