

ISL/SS/SE/26/2022-2023
8th August, 2022

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

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

Dear Sir / Madam,

Sub: Outcome of the Board Meeting.

With reference to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we wish to inform you that, as required in terms of Regulation 30, 33 and other applicable provisions of Listing Regulations, the board of directors of Inspirisys Solutions Limited at its meeting held on 8th August, 2022 has inter alia

1. Considered and approved the Standalone and Consolidated Unaudited Financial Results for the quarter ended 30th June, 2022 on the recommendation of the Audit Committee.
2. A copy of the Limited Review Report from the Auditors for the period ended 30th June, 2022.

It is further informed that the board meeting commenced at 12:45 PM and ended at 02:45 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

Statement of standalone unaudited financial results for the quarter ended 30 June 2022

(₹ in Lakhs)

S.No	Particulars	Standalone			
		Quarter ended			Year ended
		30 June 2022	31 March 2022	30 June 2021	31 March 2022
		(Unaudited)	(Audited) refer note 2	(Unaudited)	(Audited)
1	Revenue from operations	7,901	7,421	8,633	29,839
2	Other income	116	270	104	516
3	Total income (1+2)	8,017	7,691	8,737	30,355
4	Expenses				
	Cost of raw materials consumed	1	3	1	91
	Purchases of stock-in-trade	2,144	1,459	3,751	8,216
	Changes in inventories of stock in trade and finished goods	(67)	153	(23)	148
	Employee benefits expense	2,381	2,322	2,299	9,339
	Impairment losses	118	91	97	766
	Other expenses	2,803	2,642	2,419	10,498
5	Total expenses	7,380	6,870	8,544	29,058
6	Profit before finance cost, depreciation and amortization expenses (3-5)	637	821	193	1,297
	Finance costs	175	99	154	550
	Depreciation and amortization expense	103	136	138	547
7	Profit / (loss) before tax	359	586	(99)	200
8	Total tax expense:				
	Current tax	83	101	14	171
9	Profit / (loss) for the period / year (7-8)	276	485	(113)	29
10	Other comprehensive income				
	<i>i) Items that will not be reclassified to profit or loss</i>				
	- Re-measurement gains / (losses) on defined benefit plans	5	24	(10)	(19)
	- Income tax relating to items that will not be reclassified to profit or loss	(1)	(2)	2	5
	<i>ii) Items that will be reclassified to profit or loss</i>				
	- Exchange difference on translation of foreign operations	30	14	(27)	(13)
	- Income tax relating on translation of foreign operations	(9)	(1)	5	4
11	Other comprehensive income for the period / year, net of tax	25	35	(30)	(23)
12	Total comprehensive income for the period / year (9+11)	301	520	(143)	6
13	Paid up equity share capital	3,962	3,962	3,962	3,962
14	Other equity				3,248
15	Earnings per equity share				
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.70	1.22	(0.29)	0.07
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.70	1.22	(0.29)	0.07

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Statement of consolidated unaudited financial results for the quarter ended 30 June 2022

(₹ in Lakhs)

S.No	Particulars	Consolidated			
		Quarter ended			Year ended
		30 June 2022	31 March 2022	30 June 2021	31 March 2022
		(Unaudited)	(Audited) refer note 2	(Unaudited)	(Audited)
1	Revenue from operations	8,915	8,266	9,956	34,162
2	Other income	114	245	98	536
3	Total income (1+2)	9,029	8,511	10,054	34,698
4	Expenses				
	Cost of raw material consumed	1	3	1	91
	Purchases of stock-in-trade	2,317	1,493	3,779	8,328
	Changes in inventories of stock in trade and finished goods	(67)	153	(23)	148
	Employee benefits expense	3,162	3,014	3,153	12,464
	Impairment losses / Reversal of impairment	118	(231)	97	693
	Other expenses	3,311	3,112	2,962	12,745
5	Total expenses	8,842	7,544	9,969	34,469
6	Profit before finance cost, depreciation and amortization expenses (3-5)	187	967	85	229
	Finance costs	264	187	240	843
	Depreciation and amortization expense	104	137	138	549
7	(Loss) / profit before tax	(181)	643	(293)	(1,163)
8	Total tax expense:				
	Current tax	83	101	14	171
9	(Loss) / profit for the period / year (7-8)	(264)	542	(307)	(1,334)
10	Other comprehensive income				
	<i>i) Items that will not be reclassified to profit or loss</i>				
	- Re-measurement gains / (losses) on defined benefit plans	5	24	(10)	(19)
	- Income tax relating to items that will not be reclassified to profit or loss	(1)	-	2	5
	<i>ii) Items that will be reclassified to profit or loss</i>				
	- Exchange difference on translation of foreign subsidiaries and operations	(160)	(54)	(111)	(105)
	- Income tax relating on translation of foreign operations	(9)	(3)	5	4
11	Other comprehensive income for the period / year, net of tax	(165)	(33)	(114)	(115)
12	Total comprehensive income for the period / year (9+11)	(429)	509	(421)	(1,449)
13	Profit attributable to:				
	Owners of the company	(264)	542	(307)	(1,334)
	Non-controlling interest	-	-	-	-
14	Other comprehensive income attributable to:				
	Owners of the company	(165)	(33)	(114)	(115)
	Non-controlling interest	-	-	-	-
14	Total comprehensive income attributable to:				
	Owners of the company	(429)	509	(421)	(1,449)
	Non-controlling interest	-	-	-	-
15	Paid up equity share capital	3,962	3,962	3,962	3,962
16	Other equity				(3,883)
17	Earnings per equity share				
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	(0.67)	1.37	(0.77)	(3.37)
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	(0.67)	1.37	(0.77)	(3.37)

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Note

- 1 The above financials results was reviewed by the Audit Committee and approved by the Board at its meeting held on 08 August 2022. The Standalone and consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
- 2 With respect to standalone and consolidated financial results, the figure for the quarter ended 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 2021.
- 3 The Company has a trade receivable of ₹ 3.899 Lakhs as on 30 June 2022 from one of its subsidiary company Inspirisys Solutions North America, Inc (ISNA). The balance reflects accumulation of receivables since financial year 2016-17. ISNA, the wholly owned subsidiary of Inspirisys Solutions Limited (ISL), India is the marketing arm for the offshore services offered and delivered to the US customers of ISNA from ISL India. ISNA has been working with customers in North America and have been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represents services performed and billed on ISNA over the years in respect of offshore services for the clients of ISNA. The Management is working on turning around the business performance of ISNA and are hopeful of generating profits to pay ISL India against the trade receivables and to this effect have drawn up business plans for the subsidiary for the next few years. In view of the above, the Management considers not making any provision towards any expected credit loss against these trade receivables 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. This is subject matter of qualification in the standalone and consolidated review report for the quarter ended 30 June 2021 and audit report for the quarter and year ended 31 March 2022.
- 4 During the year 2021-22, the Company has 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 1 SHB 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 mis-representation of financials / manipulation of books of accounts of Inspirisys Solutions Limited (formerly known as Accel Frontline Limited), in relation to FY2012-13 to FY2015-16. The Company has engaged legal counsel and has been evaluating the options that are available for the company to pursue. The liability at this point in time is contingent and hence, the Company believe that such alleged violations will not have any material impact in the standalone and consolidated financial results of the quarter under consideration.
- 5 The Company publishes standalone financial results along with the consolidated financial results. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the interim consolidated financial results. Accordingly, the segment information is given in the consolidated financial results of the company and its subsidiaries for the quarter ended 30 June 2022.
- 6 The consolidated financial results comprises the financial results of the company and its subsidiaries.
- 7 Earning per share is not annualised for the quarter ended 30 June 2022, 31 March 2022, 30 June 21.
- 8 Figures for the previous year have been regrouped / rearranged wherever necessary.

Place: Chennai

Date: 08 August 2022

for Inspirisys Solutions Limited



Malcolm F. Mehta
Chairman and Chief Executive Officer



Inspirisys Solutions Limited

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

CIN No: L30006TN1995PLCO31736

Consolidated Segment Information:

(₹ in Lakhs)

Particulars	Consolidated			
	Quarter ended		Year ended	
	30 June 2022 (Unaudited)	31 March 2022 (Audited) refer note 2	30 June 2021 (Unaudited)	31 March 2022 (Audited)
1. Segment Revenue				
Systems Integration	2,303	1,532	3,936	8,344
Services	6,296	6,421	5,795	24,479
Warranty Management Services	316	313	225	1,339
Training	-	-	-	-
Revenue from Operations (Net)	8,915	8,266	9,956	34,162
2. Segment result				
Systems Integration	(74)	(1,088)	24	(1,596)
Services	615	3,208	553	3,881
Warranty Management Services	35	64	(137)	(18)
Training	-	-	-	-
Total	576	2,184	440	2,267
(i) Finance costs	(264)	(187)	(240)	(843)
(ii) Other unallocable expenses	(607)	(1,599)	(591)	(3,123)
Other income	114	245	98	536
Total (Loss) / Profit Before Tax	(181)	643	(293)	(1,163)
3. Segment Assets				
Systems Integration	2,899	1,739	5,580	1,739
Services	12,008	10,996	13,304	10,996
Warranty Management Services	566	580	490	580
Training	35	35	35	35
Unallocated	7,269	6,612	7,121	6,612
Total Assets	22,777	19,962	26,530	19,962
3. Segment Liabilities				
Systems Integration	3,435	1,791	6,295	1,791
Services	6,329	5,655	8,593	5,655
Warranty Management Services	472	481	563	481
Training	-	3	-	3
Unallocated	12,891	11,953	9,972	11,953
Total Liabilities	23,127	19,883	25,423	19,883

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Independent Auditor's Review Report on Standalone Unaudited Quarterly 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

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Inspirisys Solutions Limited ('the Company') for the quarter ended 30 June 2022 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Chartered Accountants

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

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4. As detailed in note 3 to the accompanying statement, the Company has reported an amount of ₹ 3,899 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 30 June 2022 which are significantly over-due. Further, due to non-realization of aforesaid trade receivables within the prescribed time limit in accordance with sub rule 1 of 96A of CGST rules, the Company is liable to pay Goods and Service Tax (GST) liability along with interest and penalty on such export sales. The management is confident of recovering the aforesaid receivables from the subsidiary based on the business plans as detailed out in the management note and accordingly, no expected credit loss provision has been made against such long outstanding receivables under Ind AS 109, Financial Instruments and no provision is recognized towards aforesaid GST liability including interest and penalty. However, in the absence of sufficient appropriate audit evidence regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the recoverability of the carrying value of the said trade receivables as at 30 June 2022 and impact of Goods and Services Tax liability, including the penalty and interest that may be levied, and the consequential impact thereof, if any, on the accompanying Statement.

Our review report on standalone unaudited financial results for the quarter ended 30 June 2021 and audit opinion on the standalone financial results for the quarter and the year ended 31 March 2022 has been qualified in the regard.

5. Based on our review conducted as above, and the consideration of the review reports of the branch auditors referred to in paragraph 7 below, except for the possible effects of the matter described in paragraph 4 above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention 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 management, the aforesaid matter is not expected to have a material impact on the accompanying standalone financial results of the Company. Our conclusion is not modified in respect of this matter.



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7. We did not review the interim financial results of a branch included in the statement, where such interim financial results reflect, total revenues of ₹ NIL, total net loss of ₹ 8 Lakhs, total comprehensive loss of ₹ 8 Lakhs for the quarter ended 30 June 2022 respectively, as considered in the statement. Such interim financial results have been reviewed by the branch auditor, whose reports have been furnished to us by the management, and our conclusion, in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the review report of such branch auditor.

Our conclusion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the branch auditor.

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

M. Janani

Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
UDIN: 22118617AOMWJL6874



Place: Chennai
Date: 08 August 2022

Walker Chandiook & Co LLP

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One International Center,
S B Marg, Prabhadevi(W),
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Maharashtra, India

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly 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

1. We have reviewed the accompanying statement of consolidated unaudited 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'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2022, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Chartered Accountants

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

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

4. As detailed in note 3 to the accompanying Statement, the Holding Company has reported an amount of ₹ 3,899 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 30 June 2022. Due to non-realization of aforesaid trade receivables within the prescribed time limit in accordance with the sub rule 1 of 96A CGST rules, the holding company is liable to pay Goods and Service Tax (GST) along with interest and penalty of such export sales, for which no liability has been recognized in the accompanying Statement basis management's assessment of realization of the aforesaid outstanding receivable balances. However in the absence of sufficient appropriate audit evidence we are unable to comment upon impact of Goods and Service Tax liability, including penalty and interest that may be levied, and the consequential impact thereof, if any, on the accompanying Statement.

Our review report on consolidated unaudited financial results for the quarter ended 30 June 2021 and audit opinion on the consolidated financial results for the quarter and the year ended 31 March 2022 has been qualified in the regard.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the branch auditors and other auditors referred to in paragraph 7 below, except for the possible effects of the matter described in previous section, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention 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 management, the aforesaid matter is not expected to have a material impact on the accompanying consolidated financial results of the Company. Our conclusion is not modified in respect of this matter.
7. We did not review the interim financial results of four subsidiaries included in the Statement and a branch included in the standalone unaudited financial results of the entities included in the Group, whose financial information reflects total revenues of ₹ 835 Lakhs, total net loss after tax of ₹ 70 Lakhs, total comprehensive loss of ₹ 70 Lakhs for the quarter ended on 30 June 2022, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

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



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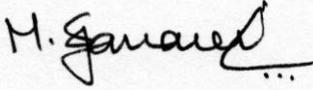
8. The Statement includes the interim financial information of one subsidiary, which have not been reviewed by its auditors, whose interim financial information reflects total revenues of Nil, net loss after tax of Nil, total comprehensive loss of Nil for the quarter ended 30 June 2022 as considered in the Statement, and have been furnished to us by the Holding company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, are based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, the interim financial information is not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Mehulkumar Sharadkumar Janani

Partner

Membership No. 118617

UDIN: 22118617AOMXCL5212



Place: Chennai

Date: 08 August 2022

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Annexure 1

List of subsidiaries included in the Statement

1. Inspirisys Solutions DMCC, Dubai
2. Inspirisys Solutions Japan Kabushiki Kaisha
3. Network Programs (USA) Inc., USA
4. Inspirisys Solutions North America Inc., USA
5. Inspirisys Solutions IT Resources Limited, India
6. Inspirisys Solutions Europe Limited, UK

