

ISL/SS/SE/47/2020-2021
8th February, 2021

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 February, 2021 has inter alia

1. Considered and approved the Standalone and Consolidated Unaudited Financial Results for the quarter and year to date ended 31st December, 2020 on the recommendation of the Audit Committee.
2. A copy of the Limited Review Report from the Auditors for the period ended 31st December, 2020.

It is further informed that the board meeting commenced at 12:45 PM and ended at 05:45 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

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

Statement of Financial results for the period and the quarter ended 31 December 2020
₹ in Lakhs

S.No	Particulars	Standalone					
		Quarter ended			Nine months ended		Year ended
		31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	11,062	8,377	6,795	24,967	27,066	34,520
2	Other income	24	34	419	235	683	883
3	Total revenue (1+2)	11,086	8,411	7,214	25,202	27,749	35,403
4	Expenses						
	Cost of raw material and components consumed	4	14	13	64	188	225
	Purchases of stock-in-trade and stores and spares	5,593	2,900	2,574	9,429	11,891	13,138
	Changes in inventories of Stock-in-trade and stores and spares	41	118	(637)	98	(483)	288
	Employee benefits expense	2,348	2,150	2,137	6,625	6,308	8,481
	Impairment losses	83	48	139	233	225	619
	Other expenses	2,552	2,964	2,234	7,666	7,077	9,663
5	Total Expenses	10,621	8,194	6,460	24,115	25,206	32,414
6	Profit before finance cost, depreciation and amortization expenses (3-5)	465	217	754	1,087	2,543	2,989
	Finance costs	117	216	285	554	935	1,256
	Depreciation and amortization expense	170	163	202	492	559	764
7	Profit / (Loss) before tax	178	(162)	267	41	1,049	969
8	Tax expense:						
	Current tax	38	(8)	62	38	235	312
9	Profit / (Loss) for the period / year (7-8)	140	(154)	205	3	814	657
10	Other comprehensive income						
	<i>i) Items that will not be reclassified to profit or loss</i>						
	- Re-measurement gains/(losses) on defined benefit plans	(15)	(103)	21	(107)	-	64
	- Income tax relating to items that will not be reclassified to profit or loss	18	2	(5)	18	-	(11)
	<i>j) Items that will be reclassified to profit or loss</i>						
	- Exchange difference on translation of foreign operations	(7)	(14)	-	(38)	-	-
	- Income tax relating on translation of foreign operations	7	(3)	-	7	-	-
11	Other comprehensive income for the period, net of tax	3	(118)	16	(120)	-	53
12	Total comprehensive income for the period / year (9+11)	143	(272)	221	(117)	814	710
13	Earnings per equity share ((loss)/profit after tax)						
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.35	(0.39)	0.54	0.01	2.14	1.72
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.35	(0.39)	0.54	0.01	2.14	1.72

M.Mehta.



Statement of Financial results for the period and the quarter ended 31 December 2020

₹ in Lakhs

S.No	Particulars	Consolidated					
		Quarter ended			Nine months ended		Year ended
		31 December 2020 (Unaudited)	30 September 2020 (Unaudited)	31 December 2019 (Unaudited)	31 December 2020 (Unaudited)	31 December 2019 (Unaudited)	31 March 2020 (Audited)
1	Revenue from operations	13,210	10,320	10,245	31,081	36,118	45,849
2	Other income	31	59	437	276	707	977
3	Total revenue (1+2)	13,241	10,379	10,682	31,357	36,825	46,826
4	Expenses						
	Cost of raw material and components consumed	4	14	13	64	188	225
	Purchases of stock-in-trade and stores and spares	5,698	3,300	3,228	10,343	13,802	15,109
	Changes in inventories of Stock-in-trade and stores and spares	178	125	(637)	239	(483)	288
	Employee benefits expense	3,412	3,007	3,121	9,383	9,280	12,590
	Impairment losses	116	48	377	266	463	590
	Other expenses	3,370	3,659	4,087	10,181	11,577	15,276
5	Total Expenses	12,778	10,153	10,189	30,476	34,827	44,078
6	Profit before finance cost, depreciation and amortization expenses (3-5)	463	226	493	881	1,998	2,748
	Finance costs	196	305	330	793	1,065	1,414
	Depreciation and amortization expense	173	167	204	502	566	781
7	Profit / (Loss) before tax	94	(246)	(41)	(414)	367	553
8	Tax expense:						
	Current tax	38	(8)	62	38	235	312
9	Profit / (Loss) for the period / year (7-8)	56	(238)	(103)	(452)	132	241
10	Other comprehensive income						
	<i>j) Items that will not be reclassified to profit or loss</i>						
	- Re-measurement gains/(losses) on defined benefit plans	(15)	(103)	21	(107)	-	64
	- Income tax relating to items that will not be reclassified to profit or loss	18	2	(5)	18	-	(11)
	<i>j) Items that will be reclassified to profit or loss</i>						
	- Exchange difference on translation of foreign operations and subsidiaries	3	86	(52)	29	(157)	(406)
	- Exchange difference on translation of foreign operations and subsidiaries	7	(3)	-	7	-	-
11	Other comprehensive income for the period, net of tax	13	(18)	(36)	(53)	(157)	(353)
12	Total comprehensive income for the period / year (9+11)	69	(256)	(139)	(505)	(25)	(112)
13	Earnings per equity share ((loss)/profit after tax)						
	Basic (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.14	(0.60)	(0.27)	(1.14)	0.35	0.63
	Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	0.14	(0.60)	(0.27)	(1.14)	0.35	0.63

M. Mehta



Note

- 1 The above financial results as reviewed by the Audit Committee were approved and taken on record by the Board at its meeting held on 08 February 2021.
- 2 The Company has, to the extent possible, considered the likely effects that may result from the pandemic relating to COVID-19 in the preparation of these financial results including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial results, used internal and external sources of information, the Company does not expect any significant impact on carrying value of assets.
- 3 The Company has a trade receivable of ₹ 3,072 Lakhs as on 31 December 2020 from one of its subsidiary company Inspirisys Solutions North America, Inc (ISNA). The balance reflects accumulation of receivables since 2016-17. ISNA the wholly owned subsidiary of Inspirisys Solutions 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. This is a subject matter of qualification in the standalone limited review report for the quarter ended 30 June 2020, 30 September 2020 and 31 December 2020 and year ended 31 March 2020 and in the consolidated limited review report for the quarter ended 30 September 2020, 31 December 2020 and period ended 31 December 2020.
- 4 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund, Gratuity and Leave liability. The Ministry of Labour and Employment has released draft rules for the Code on Social Security 2020 on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The effective date from which the changes are applicable is yet to be notified by the Government. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 5 The consolidated financial statement results comprises the financial results of the company and its subsidiaries
- 6 The figures for the corresponding previous periods have been regrouped / reclassified wherever considered necessary to conform to the figures presented in the current period.

Place: Chennai

Date: 08 February 2021

for Inspirisys Solutions Limited



Malcolm F. Mehta

Chairman and Chief Executive Officer



Inspirisys Solutions Limited

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

CIN No: L30006TN1995PLCO31736

Segment-wise Revenue, Result, Assets and Liabilities

₹ in Lakhs.

Particulars	Consolidated					
	Quarter ended			Year to date		
	31 December 2020 (Unaudited)	30 September 2020 (Unaudited)	31 December 2019 (Unaudited)	31 December 2020 (Unaudited)	31 December 2019 (Unaudited)	31 March 2020 (Audited)
1. Segment Revenue						
Systems Integration	6,144	3,350	2,579	11,052	14,001	16,445
Services	6,606	6,517	7,164	18,994	20,678	27,475
Warranty Management Services	460	453	502	1,035	1,439	1,929
Training	-	-	-	-	-	-
Revenue from Operations (Net)	13,210	10,320	10,245	31,081	36,118	45,849
2. Segment result						
Systems Integration	(39)	(192)	(244)	(194)	(126)	(564)
Services	944	729	683	2,242	2,722	3,560
Warranty Management Services	(79)	(72)	29	(483)	33	74
Training	-	-	(3)	-	(3)	(8)
Total	826	465	465	1,565	2,626	3,062
(i) Interest expenses	(196)	(305)	(330)	(793)	(1,065)	(1,414)
(ii) Other unallocable expenses	(567)	(465)	(613)	(1,462)	(1,901)	(2,072)
Other income	31	59	437	276	707	977
Profit / (Loss) before Tax	94	(246)	(41)	(414)	367	553
3. Segment Assets						
Systems Integration	8,599	4,945	6,695	8,599	6,695	4,924
Services	13,735	17,042	14,414	13,735	14,414	16,083
Warranty Management Services	909	949	1,064	909	1,064	874
Training	40	42	45	40	45	42
Unallocated	6,467	6,780	7,266	6,467	7,266	8,787
Total Assets	29,750	29,758	29,484	29,750	29,484	30,710
3. Segment Liabilities						
Systems Integration	9,766	6,712	4,740	9,766	4,740	4,989
Services	9,806	12,146	8,326	9,806	8,326	10,283
Warranty Management Services	581	783	537	581	537	621
Training	3	8	8	3	8	2
Unallocated	8,335	8,919	14,022	8,335	14,022	13,051
Total Liabilities	28,491	28,568	27,633	28,491	27,633	28,946



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

To the Board of Directors of Inspirisys Solutions Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Inspirisys Solutions Limited ('the Company') for the quarter ended 31 December 2020 and the year to date results for the period 1 April 2020 to 31 December 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the 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.



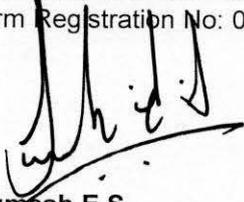
Walker ChandioK & Co LLP

4. As detailed in Note 3 to the accompanying Statement, the Company has reported an amount of ₹ 3,072 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 December 2020 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 31 December 2020 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 Statement.
5. Based on our review conducted as above, except for the possible effects of the matters 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.

For Walker ChandioK & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Sumesh E S

Partner

Membership No. 206931

UDIN: 2120931 AAAAJ 2151



Place: Chennai

Date: 08 February 2021

Walker ChandioK & Co LLP

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7th Floor, Prestige Polygon,
471, Anna Salai, Teynampet,
Chennai - 600 018
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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Inspirisys Solutions Limited

1. We have reviewed the accompanying statement of unaudited consolidated 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 31 December 2020 and the consolidated year to date results for the period 1 April 2020 to 31 December 2020, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the 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.

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.



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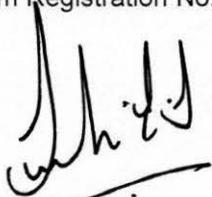
4. As detailed in Note 3 to the accompanying Statement, the holding company has reported an amount of ₹ 3,072 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 December 2020. Due to non-realization of aforesaid trade receivables within the prescribed time limit in accordance with sub rule 1 of 96A of CGST rules, the holding company is liable to pay Goods and Service Tax (GST) along with interest and penalty on 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 evidences, we are unable to comment upon the 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.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above except for the possible effects of the matters 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 did not review the interim financial results of six subsidiaries included in the Statement of financial results of the entities included in the Group, whose financial information reflects total revenues of ₹ 2,414 Lakhs and ₹ 6,721 Lakhs, total net loss after tax of ₹ 84 Lakhs and ₹ 455 Lakhs, total comprehensive loss of ₹ 74 Lakhs and ₹ 388 Lakhs, for the quarter and year-to-date period ended on 31 December 2020. These interim financial results have been reviewed by other auditors whose review 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 these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

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

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013



Sumesh E S

Partner

Membership No. 206931

UDIN **21206931AAAAK7740**



Place: Chennai

Date: 08 February 2021

Walker Chandiook & Co LLP

Annexure 1

List of subsidiaries included in the Statement

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

