ISL/SS/SE/24/2020-2021
21st August, 2020

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

The BSE Ltd.
P.J. Towers
Dalal Street
Mumabi 400 001

Dear Sir,

Sub: Submission of Annual Report as per Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, enclosed herewith is the Notice of 25th Annual General Meeting of the Company along with the Annual Report for the Financial Year ended 31st March, 2020.

The AGM Notice & Annual report for the year ended 31st March, 2020 are being dispatched electronically to those members whose email ids are registered with the Company / Depositories.

The AGM Notice & Annual report is also uploaded on the Company's website viz. www.inspirisys.com.

The Proof of sending of Annual Report through e-mail to shareholders is enclosed for your records.

Kindly acknowledge and take this into your records.

Thanking You.

Yours faithfully.

For Inspirisys Solutions Limited
(Formerly Accel Frontline Limited)

Inspirisys Solutions Limited Chennai 600 010 (Formerly Accel Frontline Limited)

S.Sundaramurthy
Company Secretary & Compliance Officer

Encl: Annual Report 2019-2020

inspiriSYS
Solutions Limited

25th

ANNUAL REPORT 2019-20

Company Information

Board of Directors

Mr. Malcolm F. Mehta	- Chairman & Chief Executive Officer
Mrs. Ruchi Naithani	- Independent Director
Mr. Raj Khalid	- Independent Director
Mr. Rajesh R. Muni	- Independent Director
Mr. Koji Iketani	- Non-Executive & Non-Independent Director
Mr. M.S. Jagan	- Independent Director (Director w.e.f. 7.02.2020)
Mr. Bin Cheng	- Non-Executive & Non-Independent Director (Director upto 7.11.2019)

Key Managerial Personnel (KMPs)

Mr. Malcolm F. Mehta	- Chairman & Chief Executive Officer
Mr. Murali Gopalakrishnan	- Chief Financial Officer
Mr. S. Sundaramurthy	- Company Secretary & Compliance Officer

Committees

Audit Committee

Mr. Rajesh R. Muni	- Chairman
Mrs. Ruchi Naithani	- Member
Mr. Raj Khalid	- Member
Mr. Koji Iketani	- Member (w.e.f. 8.08.2019)
Mr. M.S. Jagan	- Member (w.e.f. 11.06.2020)
Mr. Bin Cheng	- Member (upto 7.11.2019)

Stakeholders Relationship Committee

Mr. Raj Khalid	- Chairman
Mr. Rajesh R. Muni	- Member
Mrs. Ruchi Naithani	- Member (w.e.f. 8.08.2019)
Mr. Bin Cheng	- Member (upto 7.11.2019)

Nomination and Remuneration Committee

Mrs. Ruchi Naithani	- Chairperson
Mr. Raj Khalid	- Member
Mr. Rajesh R. Muni	- Member (w.e.f. 8.08.2019)
Mr. Bin Cheng	- Member (upto 7.11.2019)

Corporate Social Responsibility Committee

Mr. Malcolm F. Mehta	- Chairman
Mrs. Ruchi Naithani	- Member
Mr. Rajesh R. Muni	- Member

Management Team

Mr. Maqbool Hassan	(President - Practice & Delivery)
Mr. Milind Kalurkar	(President - Overseas Sales)
Mr. Jayesh Ahluwalia	(President - India Sales)
Mr. Satyen Parikh	(President - Corporate)

Statutory Auditors

M/s. Walker Chandiok & Co LLP
Chartered Accountants, Chennai.

Internal Auditors

M/s. Sudit K. Parekh & Co. LLP,
Chartered Accountants, Mumbai.

Secretarial Auditors

Mr. M. Alagar
Practicing Company Secretary,
M/s. M. Alagar & Associates, Chennai.

Legal Advisors

M/s. Economic Laws Practice (ELP),
Advocates & Solicitors, Mumbai.

Principal Bankers

Mizuho Bank Ltd., Chennai.
Sumitomo Mitsui Banking Corporation, New Delhi.

Registrars & Share Transfer Agents

M/s. Link Intime India Pvt. Ltd., Mumbai.

Stock Exchanges where Company's shares are listed

National Stock Exchange of India Limited
(Stock Code - INSPIRISYS)
BSE Limited (Stock Code - 532774)

Registered & Corporate Office

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

Company's Website

www.inspirisys.com

Corporate Identity Number

L30006TN1995PLC031736

ISIN NO. : INE020G01017

Contents | **Page No.**

NOTICE OF THE TWENTY FIFTH ANNUAL GENERAL MEETING

Inspirisys Solutions Limited
(Formerly Accel Frontline Limited)
Registered Office: First Floor, Dowlath Towers,
New Door Nos. 57, 59, 61 & 63, Taylors Road,
Kilpauk, Chennai - 600 010.
CIN: L30006TN1995PLC031736

TO

THE MEMBERS OF INSPIRISYS SOLUTIONS LIMITED

(Formerly Accel Frontline Limited)

NOTICE is hereby given that the Twenty-Fifth Annual General Meeting of the members of Inspirisys Solutions Limited (Formerly Accel Frontline Limited) will be held on Wednesday, 16th September, 2020 at 03:00 PM through Video Conferencing (VC) / Other Audio Visual Means (OAVM), and the Company will conduct the meeting from the Registered office i.e. First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010 which shall be deemed to be the venue of the meeting to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Koji Iketani, (DIN: 08486128) who retires by rotation and, being eligible, offers himself for re-appointment.
3. **Re-Appointment of Whole-Time Director Mr. Malcolm F. Mehta, Chairman and Chief Executive Officer (Key Managerial Personnel).**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 149, 152, 196, 197 and 203 read with Schedule V and all other applicable provisions if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Whole Time Director Mr. Malcolm F. Mehta, as the Chairman and Chief Executive Officer (Key Managerial Personnel) of the Company (and whose directorship is liable to retire by rotation) for a further period of three years with effect from 1st July, 2020 on the terms and conditions including remuneration as set out in the Statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Malcolm F. Mehta, (DIN: 03277490) subject to the same not exceeding the limits specified under Sections 197, 198, 200 and Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;"

   "RESOLVED FURTHER THAT the Board be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. **Appointment of Mr. M.S. Jagan (DIN: 02002827) as an Independent Director.**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Mr. M.S. Jagan (DIN: 02002827), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 7th February, 2020 in terms of Section 161 of the Companies Act, 2013 and Article No. 125 of the Company and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company for a term of five years upto 6th February, 2025 as per Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, not liable to retire by rotation."

By order of the Board of Directors
For Inspirisys Solutions Limited
(Formerly Accel Frontline Limited)

Place: Chennai | **S.Sundaramurthy**
Date: 10th August, 2020 | **Company Secretary**

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Corporate members are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote in the AGM through VC / OAVM on its behalf and to vote through remote e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.inspirisys.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Register of the Company will remain closed from Thursday, 10th September, 2020 to Wednesday, 16th September, 2020 (both days inclusive).

8. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting is annexed hereto.

9. Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by the members in electronic mode. Members can send an e-mail to sundaramurthy.s@inspirisys.com requesting for inspection of the Registers.

10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. The Notice and the Annual Report of the Company is uploaded on the Company's website www.inspirisys.com

11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Wednesday, 9th September, 2020 only shall be entitled to avail the remote e-voting facility as well as voting in the AGM.

12. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Wednesday, 9th September, 2020 ("Incremental Members") may obtain the User ID and Password by either sending an e-mail request to evoting@nsdl.co.in or calling on Toll Free No. 1800- 222-990. If the member is already registered with NSDL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

13. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest. Pursuant to SEBI Notification dated 8th June, 2018, it has been mandated by SEBI that transfer of securities of a listed company, except in case of transmission or transpositions of shares would be carried out in dematerialized form only as per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

14. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013, be transferred to Investor Education and Protection Fund (IEPF). The Company has transferred the unpaid or unclaimed dividends declared upto Financial Year 2011-2012 to the IEPF. Pursuant to the provisions of IEPF, the Company has uploaded the details of Unpaid and Unclaimed amounts lying with the Company as on the 17th September, 2019 (date of the last Annual General Meeting on the website of the Company and also on the website of the Ministry of Corporate Affairs).

15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar & Transfer Agents. The nomination forms can be downloaded from the company's website www.inspirisys.com. In respect of shares held in Electronic / Demat form, the nomination form may be filed with the respective Depository Participant.

16. As required in terms of SEBI (LODR) Regulations, 2015, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / reappointment in the AGM is appended to this Notice.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their DPs with whom they are maintaining their Demat accounts and members holding shares in physical form to the Company / Registrar & Transfer Agents.

18. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Company / Depository Participant(s) for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period commences on Saturday, 12th September, 2020 (9:00 A.M.) and ends on Tuesday, 15th September, 2020 (5:00 P.M). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 9th September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <u>https://www.evoting.nsdl.com/</u>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

<u>How to Log-in to NSDL e-Voting website?</u>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system ?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to alagar@geniconsolutions.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to sundaramurthy.s@inspirisys.com

   In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to sundaramurthy.s@inspirisys.com

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members will be able to attend the AGM through VC/OAVM and if they have already casted their vote through e-voting, they will not be allowed to e-vote again at the AGM. However, if the e-vote was not casted, they will be able to e-vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the Electronic Voting Event Number (EVEN) of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request alongwith the questions in advance atleast 03 days prior (on or before dated 13th September, 2020 before 3 p.m.) to meeting mentioning their name, demat account number / folio number, email id, mobile number at sundaramurthy.s@inspirisys.com. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

6. The shareholders who would like to send their questions are requested do so in advance atleast 03 days (on or before dated 13th September, 2020 before 3 p.m.) prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sundaramurthy.s@inspirisys.com.

General :

1. Mr. M. Alagar, Practicing Company Secretary (Member ship No. F7488 and CoP No. 8196) of M/s. M. Alagar & Associates, Practicing Company Secretaries, Chennai has been appointed as the Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.

2. The Scrutinizer shall after the conclusion of voting at the annual general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

3. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.inspirisys.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited, Mumbai.

Explanatory Statement in respect of the Special Business pursuant to Section 102(1) of the Companies Act, 2013.

Item No. 3

Mr. Malcolm F. Mehta was appointed as Chairman and Chief Executive Officer (KMP) w.e.f 1st July, 2017. Since the tenure of Mr. Malcolm F. Mehta as the Chief Executive Officer expired on 30th June, 2020, Mr. Malcolm F. Mehta be re-appointed as the Chairman and Chief Executive Officer (Key Managerial Personnel - KMP).

Based on the recommendations of the Nomination and Remuneration Committee of the company, the Board of Directors at its meeting held on 11th June, 2020 had subject to the approval of the shareholders, reappointed Mr. Malcolm F. Mehta, Whole Time Director as the Chairman and Chief Executive Officer (KMP) w.e.f 1st July, 2020 for a period of three years at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Board.

Broad particulars of the terms of appointment and remuneration payable to Mr. Malcolm F. Mehta are as under:

Name	Details	Amount (in Rs)
Mr. Malcolm F. Mehta	**Net Salary**	**Rs. 10,32,610/- per month**

a) PERQUISITES AND OTHER ALLOWANCES :

In addition to the salary payable to Mr. Mehta, he shall also be entitled to the following perquisites and other allowances.

(i) Perquisites and allowances would include reimbursement of medical expenses, leave travel allowance, children education allowance, food allowance, telephone and fuel reimbursements etc, special allowance as per ISL policy. Further, the above mentioned salary components shall be reviewed and modified from time to time as agreed between the parties.

(ii) Contribution to Provident Fund will be as per the rules of the company. The contribution towards Provident Fund will not be included in the computation of the ceiling on perquisites to the extent this is not taxable under the Income Tax Act 1961. Further, Mr. Mehta's contribution to Provident fund, ESIC, Profession tax etc as applicable shall be borne by the Company.

(iii) Gratuity as per the rules of the Company and the same shall not exceed half a month's salary for each completed year of service, and subject to Payment of Gratuity Act as amended from time to time.

(iv) Mr. Mehta will be entitled to a vacation of 30 days for every 11 months of service.

(v) Mr. Mehta will also be entitled to 7 days of special leave in case of every emergency.

(vi) Reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of Company.

(vii) No sitting fees shall be paid for attending the meetings of the Board of Directors or Committee thereof from the date of re-appointment.

(viii) The company also agrees to bear the cost of taxes and provident Fund of Mr. Mehta such that Mr. Mehta gets the above salary as his net take home salary.

(ix) Any increment in salary and perquisites and remuneration by way of incentive / bonus / performance linked incentive payable to Mr. Malcolm F. Mehta, as may be determined by the Board and / or the NaRC Committee of the Board, shall not be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payment shall be within the overall ceiling of remuneration.

b) REMUNERATION BASED ON NET PROFITS :

In addition to the salary, perquisites and allowances as set out above, Mr. Malcolm F. Mehta shall be entitled to receive remuneration based on net profits. Such remuneration based on net profits payable to him as also to the other Whole-Time Directors and Executive Directors of the Company will be determined by the Board and / or the NaRC Committee of the Board for each financial year.

c) MINIMUM REMUNERATION :

If in any year during the tenure of appointment of Mr. Mehta, the Company has no profits or its profits are inadequate, the Company shall pay minimum remuneration to Mr. Mehta, by way of above salary, perquisites and other allowances subject to the provisions of Section 197, 198, 200 and Schedule V of the Companies Act, 2013 and such approvals of shareholders as may be required. The above salary, perquisites and other allowances will be subject to any changes prescribed by the Central Government from time to time under Schedule V of the Companies Act, 2013.

d) VARIATION AND ALTERATIONS :

The Board shall have the power to effect any variations, alterations or modifications in future in respect of the aforesaid terms of appointment and remuneration of Mr. Mehta within the limits specified in Sections 197, 198 and 200 and Schedule V of the Companies Act, 2013 or any statutory modifications, subscriptions or re-enactments thereof, as may be agreed to by the Board and Mr. Mehta.

e) REIMBURSEMENT OF EXPENSES :

Expenses incurred for travelling, boarding and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

f) CONFIDENTIALITY :

Mr. Mehta shall not, during the tenure of this Agreement, or at any time thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his or for whatever purpose, of any trade secret or confidential information concerning the financial position or arrangements of the company or any dealings, transactions or affairs relating to the Company's business obtained by him during his tenure there under. Mr. Mehta shall also use his best endeavours to prevent any other persons from doing so.

g) TERMINATION :

If Mr. Mehta shall at any time be prevented by ill health or accident from performing his duties hereunder, he shall inform the Company and provide it with such details as it may reasonably require. In case of death, the Company will pay the salary and other emoluments payable hereunder for the then current month to the legal heirs of Mr. Mehta.

In either of the following event, namely if Mr. Mehta:-

be guilty of such negligence in the conduct of the business or of any other act or omission inconsistent with his position as the Chairman and Chief Executive Officer or any breach of this Agreement as, in the opinion of all other Directors for the time being of the Company, renders his continuation in the position as Chairman & Chief Executive Officer undesirable:

OR

becomes disqualified to act as a Director for any breach of Section 164 of the Companies Act, 2013.

the Company may by notice in writing to Mr. Mehta terminate the Agreement with immediate effect.

Either party may terminate this Agreement with a 60 (sixty) days written notice period.

h) AFTER TERMINATION :

Mr. Mehta shall on ceasing to be a Director of the Company for any reason whatsoever, forthwith return all company properties, movable and immovable, including, without limitation, all Company information, files, reports, memoranda, software, credit cards, door and file keys, computer access codes, laptops, mobile phones, cars and such other property which he shall have received or be in possession of or have prepared in connection with his employment with the Company, and shall not retain or make copies of any property belonging to the Company.

i) Terms of Appointment shall be valid and remain in force as long as and to the extent they are not inconsistent with any of the provisions of the Companies Act, 2013 or any other statutory modification or re-enactment thereof, Government Guidelines, the Articles of Association as may be applicable in this regard.

j) This Agreement represents entire agreement between this parties hereto in relation to the terms and conditions of Mr. Mehta's re-appointment with the Company and cancels and supersedes all prior agreements, arrangements, or undertakings, if any, whether oral or in writing, between the Parties hereto on the subject matter thereof.

It is proposed to seek the members' approval for the reappointment of and remuneration payable to Mr. Malcolm F. Mehta as Chairman and Chief Executive Officer (KMP) in terms of the applicable provisions of the Act.

M/s. CAC Holdings Corporation has agreed to reimburse the total cost of compensation of Mr. Malcolm F. Mehta, Chairman and Chief Executive Officer till such time the necessary formalities and approvals have been sought including from the Board and Shareholders of Inspirisys Solutions Limited during the Financial Year 1st April 2020 to 31st March 2021.

Mr. Malcolm F. Mehta satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Malcolm F. Mehta under Section 190 of the Act.

Brief resume of Mr. Malcolm F. Mehta, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst director's inter-se as stipulated under SEBI Listing Regulations are provided in the Annexure A to this notice.

Mr. Malcolm F. Mehta is interested in the resolution set out at Item No. 3 of the Notice, which pertain to his reappointment and remuneration payable.

The relatives of Mr. Malcolm F. Mehta may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in anyway, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out at Item No.3 of the Notice for approval by the shareholders.

Item No. 4

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee appointed Mr. M.S. Jagan (DIN:02002827) as an Additional Director of the Company to hold office from 7th February, 2020. Mr. M.S. Jagan holds office upto the date of this Annual General Meeting. Under Section 160 of the Companies Act, 2013, the Company received requisite notice from a Member proposing Mr. M.S. Jagan as a candidate for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. M.S. Jagan as an Independent Director of the Company for a term of five years upto 6th February, 2025 in pursuant to Section 149 and other applicable provisions of the Companies Act, 2013.

In the opinion of Nomination and Remuneration Committee and Board, Mr. M.S. Jagan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of appointment of Mr. M.S. Jagan as an Independent Director would be available for inspection in electronic mode.

The Board considers that the proposed appointment of Mr. M.S. Jagan as Director will be of immense benefit to the Company.

Except Mr. M.S. Jagan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Brief resume of Mr. M.S. Jagan, nature of his expertise in specific functional areas and names of companies in which he holds directorship and memberships / chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under SEBI Listing Regulations are provided in the Annexure A to this notice.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the shareholders.

By order of the Board of Directors
For Inspirisys Solutions Limited
(Formerly Accel Frontline Limited)

Place: Chennai — **S.Sundaramurthy**
Date: 10th August, 2020 — **Company Secretary**

Annexure A to the Notice dated 10th August, 2020
Details of Directors retiring by rotation / seeking re-appointment at the meeting

Name	Mr. Malcolm F. Mehta	Mr. Koji Iketani	Mr. M.S. Jagan
Date of Birth	4th June, 1968	7th November, 1962	29th June, 1956
Date of Appointment	7th May, 2014	19th June, 2019	7th February, 2020
Qualification	MBA from Anaheim University and Diploma in Japanese Business Management from Kumamoto Gakuen University. He holds Level 1 in Japanese Language Proficiency Test (JLPT-1).	Degree in Humanities - Philosophy from National Shizuoka University in Japan.	BE from Indian Institute of Science, Bangalore and PGDM, from IIM Ahmedabad.
Expertise	With close to 30 years of association with Japan, Malcolm F. Mehta has deep understanding and experience of Japanese management and business practices. He has worked in the private and public sectors in India and Japan and is a globe trotter. With more than 25 years of extensive experience in international trade and IT industry, he has strong leadership and effective communication skills. Has a robust record of success in achieving complex objectives within the specified timelines leading to long term and sustainable growth. He is highly regarded for his prowess in mergers and acquisitions, planning, strategy and business development. Has years of experience of managing businesses across Asia, Europe and North America, collaborating with clients and co-workers at senior management levels with varied cultural backgrounds.	He has a vast knowledge base and experience in Software engineering, Project management, IT consulting, Venture investment and Merger & Acquisitions spanning over three decades.	He has worked in the manufacturing, projects and service sectors for over 25 years for companies like Elgi, Sterling Holidays and Tatas. His experience, as part of the Mahindra Group, includes implementation of the Mahindra World City project near Chennai. He was also the CEO of Ascendas India, a Singapore based Company, in the business of setting up IT Parks. As an Independent Consultant for over 15 years in the field of Infrastructure, he was responsible for various aspects of many projects from Master Planning, detailing for approvals including EIA and other aspects of SEZ and IT Parks. He was also associated with financial structuring, project monitoring, implementation and marketing strategies for many projects.
Chairmanship / Membership of the Committees of the Board of Director of the Company.	1. Corporate Social Responsibility Committee - Chairperson.	1. Audit Committee - Member	1. Audit Committee - Member

Name	Mr. Malcolm F. Mehta	Mr. Koji Iketani	Mr. M S Jagan
List of other Public Companies in which Directorship held	Inspirisys Solutions IT Resources Limited.	NIL	Mahindra Integrated Township Limited
Chairmanship/Membership of the Committee of other companies in which he/she is a Director.	NIL	NIL	1. Audit Committee - Chairman
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on 31st March, 2020.	NIL	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company.	NIL	NIL	NIL
Number of meetings attended during the year	Please refer Corporate Governance Section of the 25th Annual Report 2019-2020.	Please refer Corporate Governance Section of the 25th Annual Report 2019-2020.	Appointed as an Additional Director on 7th February, 2020.

DIRECTORS' REPORT

To
THE MEMBERS OF INSPIRISYS SOLUTIONS LIMITED
(Formerly Accel Frontline Limited)

The Directors are pleased to present the 25th Annual Report of the Company together with the Standalone and Consolidated Audited Financial Statements for the financial year ended 31st March, 2020.

1. FINANCIAL RESULTS

₹ in lakhs

Particulars	Consolidated		Standalone	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Total Revenue	46,826	55,392	35,403	45,262
Earnings before interest, tax, depreciation and amortization (EBITDA)	2,748	2,699	2,989	2,620
Finance costs	1,414	1,825	1,256	1,652
Depreciation and amortization expense and impairment loss	781	469	764	450
Profit / (loss) before tax and exceptional items	553	405	969	518
Exceptional items	-	-	-	-
Profit / (loss) before tax	553	405	969	518
Tax expense	312	338	312	335
Profit for the year	241	67	657	183
Other comprehensive income for the year, net of tax	(353)	(136)	53	26
Total comprehensive income for the year	(112)	(69)	710	209

2. COVID-19

COVID-19, the novel coronavirus pandemic has spread rapidly across the globe including India. World Health Organization (WHO) declared the outbreak a global pandemic. The fall out of COVID-19 outbreak on economic activity disrupted businesses across almost all sectors during the quarter ended 31st March 2020. The Government has introduced several measures to contain the spread of the virus to protect lives and livelihood. As part of the measure, the Indian Government announced a complete lockdown on 24th March, 2020. The Company had to scale down or shut down its operations in many of our locations in India from the second half of March 2020. The wholly owned overseas subsidiaries have also scaled down / shut down its operations due to COVID-19. The duration of this lockdown across various geographies is currently uncertain and operations to resume normalcy will entirely depend upon the respective Government regulations. This has impacted the overall business in various geographies. We continue to monitor the situation and appropriate action is being taken as deemed necessary to resume operations wherever possible, whilst complying with the Government regulations. Operations have since resumed in a staggered manner beginning June 2020 with adequate precautions being taken in accordance with Government guidelines. The impact going ahead of COVID-19 on the Company's operations and financial performance is completely dependent on the developments in the future, which under the current circumstances is highly uncertain. As per our current assessment the company does not expect any significant impact on carrying value of inventories, intangible assets, trade receivables and investments (other than those impaired) as at 31st March 2020 and we continue to monitor changes in future economic conditions. The Company is of the view that the impact of COVID-19 may be different from those estimated as on the date of approval of these financial results.

3. BUSINESS PERFORMANCE

Consolidated Revenue stood at ₹ 46,826 Lakhs for FY 2019-20 which is a degrowth of 15% over the previous year revenue of ₹ 55,392 Lakhs. Standalone operations Revenue for the FY 2019-20 stood at ₹ 35,403 Lakhs which is a degrowth of 22 % over the FY 2018-19 Revenue of ₹ 45,262 Lakhs.

Revenue degrowth coming from both Products and Services during the financial year. The degrowth is attributable to the sluggish market conditions prevailing in India due to which large projects were being deferred / delayed. Many industries & businesses started seeing the impact on account of

COVID-19 from February 2020 globally which had an impact on the Revenue for the Company.

The Company however, managed to better gross margins from projects which materialised and also by bringing down operating expenses. This has improved the EBITDA which on a consolidated basis was ₹ 2,748 Lakhs compared to FY 2018-19 of ₹ 2,699 Lakhs and on a standalone basis the same stood at ₹ 2,989 Lakhs compared to last year of ₹ 2,620 Lakhs.

4. PREFERENTIAL ALLOTMENT OF EQUITY SHARES

The Company has issued and allotted 56,25,000 equity shares (at a price of ₹ 54.30 per equity share) to CAC Holdings Corporation, Promoter on a preferential basis on 19th June, 2019.

The Company has utilized the funds for business expansion and growth and for general corporate purposes including for bringing down the short term and long-term borrowings of the Company. The capital infusion has increased the net-worth of the Company on standalone basis as well as on a consolidated basis making the Company net-worth positive.

5. DIVIDEND

The Directors do not recommend any dividend for the year ended 31st March, 2020 due to inadequate profits.

6. HUMAN RESOURCES DEVELOPMENT

Attracting and retaining the right talent have been the only objective of the HR function and the actual results indicate the role of Human Capital in the growth of the Company and its strategic activities. The Company recognises people as the primary source of its competitiveness and continues its focus on people development by leveraging technology. The Company has set in place a stable Talent Acquisition System which helps the Company to handle demands from business by providing them resources on a continuous basis. The worldwide head count was 2002 as on March 31, 2020. The onboarding model followed helped the Company to integrate associates acquired locally to the culture of the Company. The learning and development team working as part of the Human Resources function has trained over 1918 employees on various technology solutions and skill development. The Company continues to initiate training of resources to keep up with the new technological challenges, meet the market requirements and deliver high quality services to our clients. The thrust of Human Resource has been on improvement of the performance of employees through training and development.

The company's pursuit to connect with its employees on a regular basis and communicate in an open and transparent manner is evident from the reduced voluntary attrition rates during the year which was 16.20 percent. The Board places on record its sincere appreciation for the valuable contribution made by the employees across all levels in the growth of the Company.

7. BUSINESS EXCELLENCE AND QUALITY INITIATIVES

The Company continues to maintain highest levels of quality to enhance customer satisfaction.

In FY 2019-20 the company kept the Quality Management Systems updated with continued investment in technologies, infrastructure and processes.

The company has certifications for:

- ISO 9001:2015 (Quality Management System)
- ISO 27001:2013 (Information Security Management System)
- ISO 20000-1:2018 (Service Management System)
- CMMI Level 3 Dev 1.3

The Company has various policies, processes and systems in place that will not only enable strengthening and smooth functioning of the operations but also improve the quality of operations.

8. DOCUMENTS PLACED ON THE WEBSITE (www.inspirisys.com)

The following documents have been placed on the company's website in compliance with the Companies Act:

a. Financial Statements of the Company and Consolidated Financial Statements.

b. Separate audited accounts in respect of subsidiaries as per fourth proviso to Section 136(1).

c. Details of Vigil Mechanism for Directors and Employees to report genuine concerns as per proviso to Section 177(10).

d. The terms and conditions of appointment of Independent Directors.

e. Details of unpaid dividend as per Section 124(2).

9. SUBSIDIARY COMPANIES

The Company has wholly owned subsidiaries in the United States, United Kingdom, United Arab Emirates (Dubai) and Japan which are not listed in India or globally as on date. The Company also has a branch office in Singapore. The Company which had an Indian wholly owned subsidiary had suspended its operations in FY 2018-19 and the said Company has become dormant. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). The Statutory Audit Report of the Subsidiary Companies for the financial year are placed before the Audit Committee and reviewed by them. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary. Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries is in Form No. AOC-1, which forms part of this Annual Report.

During the year under review, the Company decided to suspend operations of its wholly owned subsidiary companies in the United States of America and Japan the details of which is given below.

Network Programs (USA) Inc, USA & Inspirisys Solutions Japan KK, Japan.

The Company has an investment of ₹ 51 Lakhs in a subsidiary named Network Programs (USA) Inc, USA and an investment of ₹ 118 Lakhs in its subsidiary, Inspirisys Solutions Japan Kabushiki Kaisha, the networth of these companies as on 31st March 2020 is negative. The Management of Inspirisys Solutions Limited, were working on turning around the businesses of these subsidiaries and make them profitable. However, under the current circumstances and prevailing conditions, management is of the view that business revival will be challenging for these subsidiaries. Further the existing business of Network Programs (USA) Inc., USA, can be managed by the other subsidiary company in the US, Inspirisys Solutions North America Inc., which is marketing the products and services of ISL India, the parent company, in addition to its onsite operations. In order to reduce losses from these subsidiaries and to bring down the compliance costs, the Company has taken the decision to keep the operations of Network Programs (USA) Inc., USA and Inspirisys Solutions Japan Kabushiki Kaisha suspended for the time being. Considering the networth of these subsidiaries are negative, the management, as a matter of prudence, impaired the investments in these subsidiaries to the tune ₹ 169 Lakhs during the current year.

10. CORPORATE GOVERNANCE REPORT REQUIRED UNDER SEBI (LODR) REGULATIONS, 2015

As per SEBI LODR Regulations, 2015, Corporate Governance Report with Auditors Certificate on Compliance with the conditions of Corporate Governance is attached and form part of this report.

11. MANAGEMENT DISCUSSION & ANALYSIS

In terms of Regulation 34 of SEBI (LODR) Regulations, a separate Annexure II to this Report is enclosed where the Management Discussion and Analysis and various initiatives and future prospects of the Company are provided.

12. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

On the basis of the internal financial control framework and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors, including internal financial controls audit over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

13. STATUTORY AUDITORS REPORT

Management response to the qualification in the Statutory Auditor's Report :

As disclosed in Note No.7c to the Standalone Financial Statements, the Company has a trade receivable of ₹ 3,080 Lacs as on 31st March 2020 from one of its subsidiary company Inspirisys Solutions North America, Inc., USA (ISNA). The balance reflects accumulation of receivables since 2016-17. ISNA the wholly owned subsidiary of Inspirisys Solutions Ltd (ISL), India is the marketing arm for the offshore services offered and delivered to the US customers of ISNA from ISL India. ISNA has also been working with customers in North America and have been engaging them for onsite business in the USA. The trade receivables in the books of ISL India represents services performed and billed to 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 cashflows / profits to settle the dues towards ISL India 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 and are hopeful of collecting the dues from the company.

14. IMPORTANT DISCLOSURES MADE BY THE COMPANY UNDER REGULATION 30 OF THE SEBI (LODR) REGULATIONS, 2015 TO THE STOCK EXCHANGES

- Approval of de-classification of Erstwhile Shareholders as Promoters of the company.
- Resignation of Mr. Bin Cheng, Non-Executive and Non-Independent Director of the Company with effect from 7th November, 2019.
- Appointment of Mr Koji Itekani, as Non-Executive and Non-Independent Director of the Company with effect from 19th June, 2019.
- Appointment of Mr. M.S. Jagan as an Additional Director (Non-Executive, Independent) with effect from 7th February, 2020.
- Re-appointment of Whole Time Director Mr. Malcolm F. Mehta, Chairman and Chief Executive Officer (Key Managerial Personnel) for a further period of three years with effect from 1st July, 2020.
- Disclosure of material impact of COVID-19 pandemic on the company.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has strong commitment towards conservation of energy and adoption of latest technology in its areas of operations. The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are set out in an Annexure- III to this Report.

16. SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 7th February, 2020 and evaluated the performance of Non-Independent Directors and the Board as a whole. Details regarding the same is provided in the Corporate Governance Report.

17. EVALUATION OF THE BOARD'S PERFORMANCE

The Board has carried out an evaluation of its own performance, also that of its Directors individually and it's Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance report.

18. AUDITORS

a) Statutory Auditors

The Statutory Auditors of the Company M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm's Registration No. 001076N/N500013) hold office till the conclusion of the 29th Annual General Meeting of the Company.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. M. Alagar, Practicing Company Secretary (Membership No. F7488 and CoP No. 8196) of M/s. M. Alagar & Associates, Practicing Company Secretaries, Chennai to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2020. The Secretarial Audit Report is annexed as Annexure V to this report. The said Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

19. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report. No employee draws remuneration in excess of the limits in terms of the provisions of the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection in electronic mode. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

20. FIXED DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public within the meaning of sub-section (31) of Section 2 and Section 73 of the Companies Act, 2013 and the Rules framed thereunder and as such, no amount on account of principal or interest on deposits were outstanding as on the date of the Balance Sheet.

21. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, Corporate Social Responsibility Committee was formed to recommend: (a) the policy on Corporate Social Responsibility and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors. The policy on Corporate Social Responsibility is posted on the company's website www.inspirisys.com. Detailed report on CSR activities in the prescribed format is forming part of this annual report.

22. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)

Directors

- Mr. Koji Iketani, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
- Re-Appointment of Whole Time Director Mr. Malcolm F. Mehta, Chairman and Chief Executive Officer (Key Managerial Personnel).
- Mr. M.S. Jagan was appointed as the Additional Director (Non-Executive, Independent) of the Company with effect from 7th February, 2020 and holds office upto this Annual General Meeting and Mr. M.S. Jagan will be appointed as an Independent Director by the shareholders of the company in the ensuing Annual General Meeting.

The Directors have recommended the appointment / reappointment for the approval of Shareholders. The brief profile of the Directors are furnished in the Notice convening the AGM of the Company.

23. NAME CHANGE OF SUBSIDIARIES

In line with the name change carried out for the other wholly owned subsidiaries, the name of the wholly owned subsidiary in United Arab Emirates, Dubai, Accel Frontline DMCC was changed to Inspirisys Solutions DMCC during the financial year 2019-20.

24. ACKNOWLEDGEMENTS

The Directors take this opportunity to thank the Company's employees, customers, vendors, investors, alliance partners, business associates, bankers for their continuous support given by them to the Company and their confidence reposed on the management. The Directors also thank the Central and the State Governments in India, Governments of the countries where the Company has operations and concerned Government departments and agencies for their continued co-operation. The Directors acknowledge the unstinted commitment and valuable contribution made by all members of the Inspirisys family.

For and on behalf of the Board of Directors

Place: Chennai — **Malcolm F. Mehta**
Date: 10th August, 2020 — **Chairman & Chief Executive Officer**

ANNEXURE - I TO THE DIRECTOR'S REPORT

1. EXTRACT OF ANNUAL RETURN

Extract of the Annual Return in prescribed form is given as Annexure-IV to this Report, in terms of the requirements of Section 134(3)(a) of the Act, 2013 read with the Companies (Accounts) Rules, 2014.

The same is disclosed in the Company's website www.inspirisys.com under investors section.

2. NUMBER OF MEETINGS OF THE BOARD

There were 5 meetings of the Board of Directors during the year under review. For details of the meetings, please refer to the Corporate Governance Report, which forms part of this Report.

3. INDEPENDENT DIRECTORS' DECLARATION

Mrs. Ruchi Naithani, Mr. Raj Khalid, Mr. Rajesh R. Muni and Mr. M.S. Jagan who are Independent Directors, have submitted a declaration that each of them meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act and SEBI LODR Regulations. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

4. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act has been disclosed in Corporate Governance Report which forms part of this Report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return (under Section 92(3) of the Act), in Annexure-IV as per the prescribed form MGT-9.

5. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

As provided under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members & Senior Management Personnel have affirmed compliance with Inspirisys Solutions Limited Code of Conduct for the year ended 31st March, 2020.

6. RELATIONSHIP BETWEEN DIRECTORS INTER-SE

None of the transactions with any of the related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in No. 36 of Consolidated Accounts and No. 37 of Standalone Accounts forming part of the Financial Statements as at and for the year ended 31st March, 2020. The Company's related party transactions are primarily with its subsidiaries and associates. The related party transactions are entered into based on consideration of various business, exigencies, such as synergy in operations, sectorial specialization and the Company's long term strategy for sectorial investment's, optimization of market share profitability, legal requirements, liquidity and capital resources of subsidiaries and associates.

All related party transactions are negotiated on arm's length basis and are intended to further the Company's interests.

The particulars of transactions between the Company and its related parties as per the Ind AS 24 "Related Party Disclosures" referred under Section 188 of the Companies Act, 2013 are set out in the Notes forming part of the financial statement as at and for the year ended 31st March, 2020. There have been no materially significant related party transactions, which may have potential conflicts with the interest of the company.

7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of the Loans and Investments made by company are given in the notes to the financial statements. The company has not given any Guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

8. TRANSACTIONS WITH RELATED PARTIES

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis.

9. INTERNAL CONTROL

The Company has adequate internal control procedures commensurate with the size and nature of its operations.

The internal control systems is further strengthened by internal audit carried by an independent firm of Chartered Accountants and periodical review conducted by the management. The Audit Committee of the Board addresses issues raised by Internal Auditors and the Statutory Auditors.

The financial objective of the Company is to bring in efficiencies of operations at all levels so as to maximize return on capital employed and to generate sufficient cash profits to fund ongoing expansions and to meet the growth objectives.

The Audit Committee and the Board periodically review performance parameters related to financial performance of the Company to ensure smooth implementation of the internal control systems and efficient management of the various resources. The Audit Committee conducts periodic reviews with the management, internal auditors and the statutory auditors.

10. RISK MANAGEMENT

The Board of Directors of the Company oversee the Risk Management of the Company on a continuous basis. The Board oversees the Company's process and policies to frame, implement and monitor the risk management plan for the Company. The Board is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

11. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The Company has practice of conducting familiarization program of the Independent Directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

The same is disclosed in the Company's website www.inspirisys.com under investors section.

12. VIGIL MECHANISM

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behaviour. The details of the policy have been disclosed in the Corporate Governance Report, which is a part of this report.

13. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The Company's wholly owned subsidiaries Company are engaged in the business of providing IT / ITES services, business solutions, consulting including business process outsourcing services. There has been no material change in the nature of the business carried on by the subsidiaries during the year under review. The Company's subsidiaries are:

1. Inspirisys Solutions DMCC
   (Formerly Accel Frontline DMCC, Dubai)
2. Inspirisys Solutions North America Inc.,
   (Formerly Accel North America, Inc.,)
3. Network Programs (USA) Inc.,
4. Inspirisys Solutions Japan KK
   (Formerly Accel Japan KK) and
5. Inspirisys Solutions Europe Ltd.
   (Formerly Accel Technologies Ltd.) U.K.

The company also has a Indian subsidiary Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited) which suspended its operations in the last quarter of Financial Year 2018-19 and is currently a dormant company.

The subsidiaries earned a gross revenue of ₹ 12,629 Lakhs during the Financial Year 2019-20 and grew by 24% compared to the gross revenue of ₹ 10,128 Lakhs during Financial Year 2018-19. Most of the revenue growth coming from the UAE subsidiary. The Net losses of these subsidiaries on consolidated basis is ₹ 546 Lakhs during Financial Year 2019-20 which is over 52% reduction from the losses these subsidiary companies incurred in Financial Year 2018-19 which stood at ₹ 1,148 Lakhs. The financial position of each of the subsidiaries is provided in a separate statement AOC-1, attached to the Financial Statement pursuant to first proviso to Section 129(3) of the Act.

As explained earlier in the Directors Report, the Company has impaired its investments (Network Programs (USA) Inc, USA - ₹ 51 Lakhs and Inspirisys Solutions Japan KK - ₹ 118 Lakhs) and also has written off Loans and Advances (Inspirisys Solutions IT Resources Limited - ₹ 8 Lakhs) in all adding upto ₹ 175 Lakhs during the year.

14. PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made thereunder, in respect of employees of the Company, is follows:-

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

Except Mr. Malcolm F. Mehta, no directors were in receipt of remuneration except sitting fees. For this purpose, Sitting fees paid to the Directors have not been considered as Remuneration.

Name of the Director	Ratio to median remuneration	Remuneration paid (₹ In Lakhs)
Mr. Malcolm F. Mehta*	158	363

* M/s. CAC Holdings Corporation, Japan is reimbursing the cost incurred by the Company for the employment of Mr. Malcolm F. Mehta.

(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of the Person	% increase in Remuneration
Mr. Malcolm F. Mehta, Chairman & Chief Executive Officer	7.60%
Mr. Murali Gopalakrishnan, Chief Financial Officer	3.30%
Mr. S. Sundaramurthy, Company Secretary	6.70%

(c) The percentage increase in the median remuneration of employees in the financial year was NIL.

(d) The number of permanent employees on the rolls of Company;

There were 1,922 permanent employees on the rolls of Company as at 31st March, 2020.

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in 2019-2020 was 8.21%. Percentage increase in the managerial remuneration for the year was 7.60%.

(f) Affirmation that the remuneration is as per the remuneration policy of the Company;

The Company's remuneration policy is based on the performance of the employees and that of the Company. The Company's compensation consists of fixed component, benefits and variable pay based on the individual's performance which is measured through the annual appraisal process.

15. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

For and on behalf of the Board of Directors

Place: Chennai
Date: 10th August, 2020

Malcolm F. Mehta
Chairman & Chief Executive Officer

ANNEXURE-II

MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

As per the data from the United Nations, the global economy registered a growth of 2.3%, its slowest of the decade in 2019. This was primarily due to the continuing trade disputes among major economies of the world and a slowdown in investments. A sharp slowdown in international trade as well as global manufacturing also contributed towards this dismal growth. Global commodity prices, especially of oil and industrial metals have fallen considerably due to subdued demand. The two largest economies in the world, the U.S. and China recorded lower growth in 2019 compared to 2018.

The COVID-19 pandemic has disrupted demand and supply chains across industries, negatively impacting the business of companies and driving the global economy towards a recession. The situation caused by the pandemic continues to evolve and the effects on such markets remain uncertain. In addition to other factors, the outlook going forward will depend on how COVID-19 continues to affect the global economy.

IMF's downgrade of global GDP growth from -3.0% to -4.9% for 2020 reflects slower than expected recovery due to persistent social distancing risk, greater hit to economic activity than previously expected, slower ramp-up of businesses post lockdown and some economies which are still struggling to contain the infection. A second wave of infection in early 2021 will further prolonged the economic recovery.

International Data Organisation (IDC) expects worldwide IT spending to decline 2.7% in constant currency terms in 2020 as COVID-19 forces global organisations to respond with contingency planning and spending cuts in the short term. IT spending on hardware, software and IT services is likely to decline by more than real GDP, as commercial IT buyers and consumers cut capital spending to adjust with declining revenues, profits, market valuations and employee headcount. IT vendors to expect delays in new technology initiatives, cuts in discretionary spending and delayed off-take of scheduled projects, due to sluggish economic growth.

Indian Economy

The India business especially the Government/PSU side of it was impacted due to the General Elections of 2019 as the Code of Conduct kicked in and decisions were put on hold. The economic data released and the budget announced by the government in July 2019 was not encouraging, which further dampened spirits. India's real estate, automobile, construction sectors and overall consumption demand witnessed a sharp and constant decline as the economy faced a slowdown in 2019. Passenger vehicle sales declined by 17.98 per cent in April-November 2019 over the same period last year, according to the SIAM. India's industrial output contracted to 3.8 per cent in October for the first time. The fall is attributed to poor performance by power, mining and manufacturing sectors. India's state-run banks too have been struggling with non-performing assets. The economy grew at under 5% in FY2019.

Indian economy has been facing slowdown and significant downside risk, posing a question on whether the economic headwinds are cyclical or structural. The government has lately announced bold reforms and accommodative fiscal and monetary policies that is expected to spur growth and counter the impact of COVID-19 pandemic. However, the economy is expected to contract 4% in FY 2020 as per the Asian Development Bank.

We all are in the middle of the biggest crisis being seen in our lifetime:

COVID-19 pandemic. It has created unprecedented socioeconomic disruption, fear and the tragic loss of human lives world over. The collapse in economic activity this time is likely at a level unseen in previous recessions. The exit path remains a vaccine and till then it is likely to be a bumpy ride with a continuous stop-start rhythm and strict health protocols. Country like India has in the past too lived through economic crisis. Each time the pain & agony has been different; but every time we have bounced back well. We expect that the COVID-19 calamity will also pass sooner than later. The next few months will be critical for organizations as they build their resilience in order to persist, resurrect their businesses and master the new business environment.

Global IT Industry and IT spending: Key Pointers

In the recent past, global enterprises have rapidly adopted digital technologies. In a fast paced and ultra-competitive business environment, possessing the best technology to deliver optimum performance is critical to business success and sustainability. While the COVID-19 crisis has challenged every aspect of our customer's business, it strongly reinforces our belief in the role that technology can play as we move ahead. The emerging technologies like Artificial Intelligence (AI), Machine Learning (ML), Robotic Process Automation (RPA), IoT and Augmented Reality (AR) along with updated Cybersecurity, Cloud and Infrastructure have helped enterprises improve productivity, monitor performance, automate processes and reduce costs. These technologies when combined with an innovative approach help organizations to bring about transformational changes to their legacy-based business model. With organizations now under tremendous pressure to transform, the role of these emerging technologies becomes more vital than ever.

According to the forecast by Gartner, Global IT spending is projected to total $3.5 trillion in 2020, a decline of 7.3% from 2019. Growth in core traditional services revenues are expected to be moderate, while new technologies and digital transformation spends are growing at a healthy mid-teens CAGR, where digital technology is continuing to gain prominence due to increased technology adoption by governments and businesses upgrading platforms, products and solutions to enhance the consumer experience. Traditional products & services will grow at low single digits and is still four fifths of the enterprise

IT spend. Therefore, we continue to see opportunities in both spend patterns for service providers who possess a comprehensive suite of offerings.

- Global spending on Enterprise security & Cloud technologies is expected to be substantial over next few years given the new norms being set due to pandemic in the way businesses will be conducted across and within countries.
- Factors that are likely to hinder growth: Renewed Financial Crisis; Availability of Skilled / Unskilled labour; Shrinking Profits; Uncertainty and Unforeseen shocks due to current pandemic; Deferring purchases of technologies.
- Factors which may favour growth: Disruptive Technologies changing business models; Quick reach-out to customers; highly effective marketing at frugal spending; driving efficacy within own business operations; Government support.

Indian IT Sector Overview

The IT-BPM industry in India has been the flag-bearer of the country's exports for the past two decades, with industry size reaching about US$ 177 billion in March 2019 witnessing a growth of 6.1 per cent YoY and is estimated that the size of the industry will grow to US$ 350 billion by 2025. The sector has been contributing significantly to the economy via employment growth and value addition. IT services constituted 51% of the IT-BPM sector in FY 2018-19, followed by Software & Engineering Services which contributed 20.6% and lastly the BPM Services segment that contributed 19.7%. IT services remained the dominant segment within the IT-BPM sector with about $91 billion in revenues in FY 2018-19. Within IT services, digital revenues grew more than 30% YoY to reach $33 billion.

The Start-up Ecosystem in the country has been progressing exceedingly well. It is now the 3rd largest in the world with 24 Unicorns – though China with 206 and US with 203 are miles ahead. Mumbai, Bengaluru, Delhi-NCR account for almost 55% of the total start-ups in India.

(Source: NASSCOM & Gartner)

According to Gartner, IT spending in India will total $83.5 billion, a decline of 8.1% in 2020 due to the impact of COVID-19. This is the first decline in IT spending experienced in India in the last five years.

Spending on devices and data centre systems in India is expected to record steep declines in 2020, at -15.1% and -13.2%, respectively. Enterprise software spending is expected to record a moderate decline at -2.6%.

CIOs are spending more on business continuity, remote working and workforce collaboration. This is shifting spending toward technologies such as desktop as a service (DaaS), Infrastructure as a service (IaaS), virtual private network (VPN) and Security. The overall cloud adoption in India has increased, as a result of this increase in spending.

Technologies such as telehealth, smart-chatbots, mobile applications enabling deliveries, and distance learning education software will experience an increase in spending in 2020

B. OPPORTUNITIES & THREATS

The **Banking, Financial & Insurance Services industry** has embarked on a transformational journey enabled by disruptive and cloud-based technologies. This journey is driven by challenges to reduce operational costs, the need to deliver differentiated, seamless customer experiences that mitigate continued regulatory pressures. Efficient and effective technology is capable of leveraging the organisation's collective intelligence. Technology is an important lever for insurance businesses, redefining how they operate, and interact with customers and collaborate with brokers. The introduction of Cloud-based enterprise has allowed insurance companies to shift from their conventional platform-based ecosystems, enabling savings in infrastructure and operation costs.

Government and Public Sector Organizations: PSUs are rebooting themselves towards self-reliance. PSUs across the country are under transformation by imbibing best global practices, agile and scalable technology intervention and embedding innovation as an integral part of their journey. COVID-19 will accelerate their digital transformation adoption. India's government undertakings - Maharatnas, Navratnas, and Miniratnas - are making a switch to digital transformation, for the corporate to communicate, with purpose and precision, through the orientation of people and induction of technology. Key transformational areas would be around Online Inventory, e-office, e-tendering, e-procurement, strengthening IT infrastructure for cybersecurity.

Telecom Industry has undergone tremendous disruption over the last few years. The telecom providers are saddled with huge debts and aging infrastructure. However, the likely induction of 5G is expected to lead to considerable investment from the industry as well as help boosts growth in consumption. Besides the distinct advantage in terms of speed, low latency, enhanced capacity and increased bandwidth are the key advantages of 5G.

Healthcare Industry overthe past few years is redefining the term 'digital transformation'. As diseases affect people at large, globally, it is becoming increasingly evident that technology (like Telemedicine, IoT, wearables and robots) remain relevant for improving patients' health and quality of life. Pharma companies and healthcare organizations are focusing on enhancing user experiences, with a strategy to offer patient-centric care. IT plays a major role in driving the healthcare and life sciences industry to deliver results on these premises. Digital platforms are gaining prominence owing to their endeavour to revolutionize the health sector with proven 'customer-centric' solutions.

Manufacturing: Industry 4.0 is set to transform productivity in the manufacturing sector with the integration of superior technology to create enhanced digital solutions. The technological synergy has not only helped streamline operations but has also improved efficiencies and utilisation levels in the manufacturing sector. As a result, the disruptions in technology are centred around creating conveniences that are setting benchmarks for better consumer experiences. With increasing expectations, modern technology and digital solutions are constantly simplifying processes, helping companies to retain and locate customers easily.

Inspirisys Solutions Limited has its footprint and focus across the above-mentioned verticals. In addition, with following opportunity landscapes, there are great prospects for it to grow exponentially:

- Increased adoption and awareness in contemporary technologies viz., Cloud, AI, Cybersecurity, IoT, Machine Learning, RPA, Edge Computing and HCI.
- Strong Mobility Network and Digital Infrastructure across Metros and Tier 2 cities.
- Rising government spending towards Digital transformation driven Governance.
- Increased investments by PE & VC's boosting innovative solutions development.

As the world combats the COVID-19 pandemic - businesses will have to innovate and revisit their conventional models and have them augmented by technology. Conventional Business Models will be immensely challenged by Technology driven Apps which the New World post the pandemic will be willing to welcome and invest in.

IDC forecasts, India's domestic IT spending including hardware, software, and services are expected to drop to 4.5% in 2020. The hardware segment will contribute the most to this decline. This decline is likely to impact the company's IT Product / Hardware business significantly.

We see a rapidly-changing marketplace with new competitors arising in new technology areas who are focused on agility, flexibility and innovation and experience intense competition in traditional services. Typically, we compete with other large, global technology service providers. Our industry expertise, comprehensive end to-end service capability and solutions, ability to scale, digital capabilities, established platforms, superior quality and process execution, experienced management team, talented professionals and track record are the reasons which customers cite while awarding us contracts.

Managing Business amid The Covid 19 Impact & likely Economic fallout:

Our teams have settled into the new ways of working, while our managers are tracking employee welfare, productivity and customer service delivery progress through the use of various technologies and tools.

We continue collaborating with our customers to deliver on our commitments. However, the markets serviced continue to undergo massive and continued disruptions due to the spread and fear of COVID-19 pandemic. The economic fallout of and the subsequent recovery from COVID-19 will depend on multiple factors such as recovery driven by containment efforts, new supply chains, gradual lifting of lockdowns etc.

The continued spread of COVID-19 could adversely affect workforces, customers, economies and financial markets locally and globally, potentially leading to further economic downturn. This could lead to:

- decrease in our customer's spend on technology
- adversely affecting demand for prospective projects / ramp-ups
- cause cancellations or ramp-downs of existing projects
- increased requests for furloughs
- increased demand for price reduction driving margin squeeze
- higher travel restrictions
- impose supply-side constraints
- adversely impact cash conversion cycles.

Macroeconomic conditions caused by COVID-19 could also result in financial difficulties for our clients, including limited access to the credit markets, insolvency or bankruptcy. The potential impact to our results going forward will depend to a large extent on future developments regarding COVID-19 that cannot be accurately predicted at this time, including the duration and severity of the pandemic, the extent and effectiveness of containment actions and the impact of these and other factors on our employees, customers, partners and vendors. In conclusion, we continue our resilience amid all odds to respond to the COVID-19 crisis with agility. Most of our workforce are enabled to work from home and we continue to service our customers, delivering on several time critical milestones and processes. However, our sales activity, WMS and product/hardware business is impacted quite severely due to the restrictions in movement of people and goods.

BUSINESS OVERVIEW

Head-quartered in Chennai, Inspirisys Solutions Limited (ISL) is a preferred partner for many well-established Enterprises in BFSI, Govt / PSU and Telecom Industry. Increased focus on Healthcare & Manufacturing will enable appropriate expansion and extension of its dominance amid similar sized and structured competitors. ISL's Solutions & Services range across most critical wants and needs of these enterprises: ranging from Advanced Infra (Managed Services, RIM, DC Optimization), Application Development, Optimization & Modernization Solutions and Consulting Services. An innovative driven Cybersecurity solution around SOC (Security Operation Centre) has been developed recently which has immense potential in the global market. ISL has continued to augment its skill-base and competencies across RPA, AI, IoT and Cloud technologies to provide customised solutions and services offerings to its clients. The services include integration, development support, testing and implementation.

Key Industry Segment of focus

- Banking, Financial & Insurance Services
- Healthcare & Pharma
- Telecom
- Manufacturing
- Government & PSU

Helping Customers "Experience Possibilities"

Our customers are looking out to not only enable their digital future, but also to drive hyper efficiencies across their technology infrastructure, applications and core operations - enabling them to achieve cost leadership in their businesses. We are recognized by our clients for our ability to:

- bring in "an integrated perspective",
- bring together broad and deep technology and domain expertise,
- draw learnings and apply insights from one company or sector to another
- to provide end-to-end services.

Our clients value our consistent excellence in execution and our ability to proactively incorporate relevant innovation. Under our banner, we provide a range of IT and IT-enabled services which include digital strategy advisory, customer centric design, technology consulting, IT consulting, custom application design, development, re-engineering and maintenance, systems integration, package implementation, global infrastructure services, analytics services, business process services, research and development and hardware and software design to leading enterprises worldwide.

Our IT Products segment provides a range of third-party IT products, allowing us to offer comprehensive IT system integration services. These products include computing, platforms and storage, networking solutions, enterprise information security and software products, including databases and operating systems. We provide IT products as a complement to our IT services offerings rather than just sell standalone IT products. The Company continues to be on a transformation journey, helping organisations inculcate most contemporary technologies which align, suit and fit their business aspirations of doing more with less - delivering better, more value to their experience of technology adoption and usage.

Key Service Offerings

- Enterprise Security
- Cloud
- IoT
- Product Engineering & Development
    - o Banking
    - o Non-Banking
    - o Mobility
- Enterprise Infrastructure Services

Key Elements helping drive the aspired Growth Engine:

- Creating Value - Internally and for Customers.
- Leveraging Solution - Services Ecosystem with expanded Partner Network involved in most contemporary technology space of Digital Transformation, IoT, Data Science, Cloud and AI.
- Creating a highly empowered organization which can adapt & transform rapidly.
- Establishing ISL (Inspirisys Solutions Limited) Brand Equity among being top notch thought leaders globally.
- Focus on Innovation and IP Creation.

Expanding Ecosystem to address customer requirements - comprehensively

Just about initiated and already established Start-up companies seek out businesses from Enterprise customers. ISL is one of the few entities which facilitate an alliance model to effectively leverage mutual strengths and assure customers of meeting their needs in technology and automation.

The right blend of partners, combined with unique service offerings and frameworks and under pinned by robust governance models, enables ISL to help customers reach their goals faster. This growth strategy will help offer disruptive tech solutions and services to Enterprises Globally. Addressing specific Critical Business Issues within an Enterprise with precise solution - service is the key. Generic offerings today do not address business challenges.

Continuing our thrust on innovation, select solutions from existing / new partners are identified on which ISL builds modular products-services to address some of the most pragmatic "automation of business processes" which otherwise impact efficiency and productivity of an enterprise.

C. FOCUS AREAS OF THE COMPANY

The Company continues to focus on 5 practices Viz., Enterprise Infrastructure Services, Cloud, Enterprise Security, IOT and Product Engineering Development across the BFSI, Telecom, Manufacturing, Government/PSU, Healthcare verticals.

This has helped the company to leverage across practices to provide end to end IT solutions and address cross sell - upsell opportunities from its existing as well as prospective clients. The structure has also enabled the company to be domain focussed and be more relevant to its customers who are on their digital transformation journey.

The current COVID-19 Pandemic situation, while it has disrupted the market and is adversely affecting all Businesses, our focus on Infra, Cloud and Security and the agility and flexibility to cross leverage these platforms, is expected help the company to capitalise on the emerging situation to deliver best of breed, work from home solutions and to enable enterprises to adopt remote managed services and Cloud migrations. There is likely to be an increased demand on the deployment of Cyber security control mechanisms and its regular reinforcements. Our investments on the RIM and SOC should prove beneficial.

We continue to develop a strategic and growth oriented partner ecosystem. The alliance with niche solution / Technology vendors provides a platform for the company to strengthen its offerings in the focussed verticals and increase its market foot print.

The overall focus of the Company continues to be on increasing the share of the services business in India, increase the share of the exports / overseas business, cross-sell its services across divisions and geographies, develop niche products and services and target private sector including multinational companies in India. All the above measures will help in improving the profitability of the Company over the long run.

D. RISK MANAGEMENT

The Board continues to provide the guidance to the company in terms of ascertaining the risk factors as applicable to the company's business and providing the direction to assess and mitigate the same. The company periodically assesses the risks involved in the business and reports to the Board for them to take necessary steps in mitigating them.

E. DETAILED REVIEW OF FINANCIAL PERFORMANCE

The financial statements are prepared in compliance with the Companies Act, 2013 and Ind AS.

The following table gives an overview of the financial results of the company on a consolidated basis:

Particulars	Year ended 31 March 2020		Year ended 31 March 2019	
	₹ In Lakhs	%	₹ In Lakhs	%
Revenue				
Revenue from operations	45,849	98%	54,641	98%
Other income	977	2%	751	2%
Total revenue	**46,826**	**100%**	**55,392**	**100%**
Expenses				
Materials / Service costs	15,622	33%	26,995	49%
Employee benefits expense	12,590	27%	13,359	24%
Other expenses	15,866	34%	12,339	22%
Total expenses	**44,078**	**94%**	**52,693**	**95%**
EBITDA	**2,748**	**6%**	**2,699**	**5%**
Finance costs	1,414	3%	1,825	3%
Depreciation and amortization expense and impairment loss	781	2%	469	1%
Profit / (loss) before tax and exceptional items	**553**	**1%**	**405**	**1%**
Exceptional items	-	-	-	-
Profit / (loss) before tax	**553**	**1%**	**405**	**1%**
Tax expense	**312**	**1%**	**338**	**1%**
Profit / (loss) for the year	241	-	67	-
Profit from discontinued operations (net of tax)	-	-	-	-
Profit for the year	241	-	67	-
Other comprehensive income for the year, net of tax	**(353)**	**-1%**	**(136)**	**0%**
Total comprehensive income for the year	**(112)**	**0%**	**(69)**	**0%**
Minority interest	-	-	-	-
Total comprehensive income after Minority Interest	(112)	0%	(69)	0%

F. REVENUE ANALYSIS

₹ in lakhs

BUSINESS MIX	FY 2020	%	FY 2019	%
SI - System Integration	16,445	36%	27,751	51%
Services	27,475	60%	24,601	45%
WMS - Warranty Management Services	1,929	4%	2,274	4%
Training	-	-	15	0%
TOTAL	**45,849**	**100%**	**54,641**	**100%**

G. ANALYSIS OF BUSINESS BY SERVICE

The Enterprise Infrastructure practice continue to be the largest revenue earner for the company. We are positioning ourselves as a System Integrator of choice, where the IT products are provided only as a complement to our IT service offerings rather than selling stand-alone products. We have steadily focussed to move up the value chain in these services, from the traditional break fix maintenance to IT Automation leveraging on the AI platform.

Our cognitive SOC set up, where we continue to invest on R&D, will augment our Enterprise Security & risk services, providing an integrated perspective to the security requirements of our clients.

On Cloud, our offerings include public and hybrid solutions, Software defined data centers, DevOps, digital work place solutions and Business continuity services.

In the Product engineering development, we continue to focus on Custom application development, Re-engineering, Testing, RPA and Analytics, besides the Microsoft Dynamics ODC for our Middle East clients. On the Banking domain, we continue our relationship as an implementation partner for Finacle and have been instrumental in multiple 10X migrations. Our comprehensive solution for the government payment transactions, the new state of the art, feature rich and secure, 'GBM Ultra' is ready for launch and will be available for the customers from second half of FY 20-21.

All practices are maturing to deliver and support the global clients and we expect the Infra, IT security and Cloud services and the software services Viz, IOT & Product Engineering Development to earn more export revenues in the coming years.

H. HUMAN RESOURCE MANAGEMENT

In the Technology Industry, Human Capital - Assets are the foundation to attaining success in any endeavour. HR function is thus a strong Business Partner for Counselling, Engaging, Empowering, Consulting and Managing a diversified workforce comprising multi nationalities and varied cultures.

The company always promotes just & fair HCM Practice which is employee friendly and conducive in establishing collaborative, high performing culture. The quality of workforce and their guiding principles are key to long term business sustainability. ISL continues to provide necessary Learning opportunities to equip employees with additional skills enabling them to seamlessly integrate and evolve with ongoing technology advancements. The objective being to continue adding Value to the business of customers.

We believe that highly motivated and self-driven employees help the company meet its goals and aspirations expeditiously. It is thus imperative that the Core of HCM Practice pivots around every employee's individual development and welfare. Having a workforce which is High on Self-Initiation, Empowerment and Energy is a continuous and evolving journey in the current market dynamics. Attracting apt and relevant Talents to meet business requirements and continued uplifting of skills of existing workforce are among the two most vital criteria in making ISL a great place to work.

The Corporate HCM team has thus established a blueprint to build the Most Impactful Team which thrives on:

- Catering to Diverse & Dynamic Business demands
- Building an innovative & flexible organization
- Establishing Efficient & Sustainable Practices
- Continually Engage and Communicate with Employees
- Creating a Hi Trust environment

The Company has adopted a Policy on Prevention of Sexual Harassment at Workplace which is in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. The policy has been formed in order to prohibit, prevent or deter the commission acts of sexual harassment at workplace. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under the Policy and the Policy is gender neutral. During the year under review complaints received by the ICC has been addressed and closed and there were no cases pending for disposal.

I. DEPRECIATION AND AMORTIZATION

The Company has been following straight-line basis of depreciation and has depreciated assets based on the rates mentioned in the Companies Act. In respect of application software, estimated useful life of the assets is taken as 7 years and has accordingly amortized the value of the software assets capitalized. Intangible asset in the form of goodwill is being amortized over a period of ten years. Considering the indefinite life of the goodwill, the Amortisation of goodwill has been stopped from the previous year. This asset will be tested for impairment at the end of every financial year.

Adoption of IAS 116 :

The lease liability is measured at the present value of the lease payments to be made over the lease term. Lessees accrete the lease liability to reflect interest and reduce liability to reflect lease payments made.

The right of use asset is initially measured at the amount of the lease liability, adjusted for lease pre-payments, lease incentives received, lessee's initial direct cost and an estimate of restoration, removal and dismantling costs. The related right of use asset is depreciated in accordance with the depreciation requirements of Ind AS 116.

J. FINANCING COSTS

The company had obtained working capital loans from Japanese banks at a much lower cost on account of guarantees from CAC Holdings Corporation, Japan, the holding company. This has helped the company to contain the interest costs. Further the Capital infusion made by CAC Holdings Corporation, Japan in June 2019 brought down the term loans availed by the Company and has resulted in savings of finance costs.

K. TAXATION

The company on account of the brought forward business losses did not provide for the tax under the normal computation. Accordingly the tax has been provided under the provisions of MAT. Further on account of losses in the overseas subsidiary no taxes are provided for the year under review for the overseas subsidiary companies.

The Consolidated Balance Sheet of Inspirisys Solutions Limited (Formerly Accel Frontline Limited) is given below

₹ in lakhs

Consolidated Balance Sheet of Inspirisys Solutions Limited		
	31 March 2020	**31 March 2019**
ASSETS		
Non-current assets		
Property, plant and equipment	571	508
Goodwill	640	930
Right of Use	833	-
Other Intangible assets	187	313
Intangible asset under development	235	86
Financial assets		
- Investments	-	-
- Trade receivables	28	128
- Bank balances	833	966
- Other financial assets	625	511
Income tax assets (net)	5,409	4,621
Other non-current assets	**750**	**537**
	10,111	**8,600**
Current assets		
Inventories	996	1,261
Financial assets		
- Trade receivables	13,285	20,593
- Cash and cash equivalents	1,538	1,180
- Bank balances other than those mentioned in cash and cash equivalents	-	1
- Loans	-	-
- Other financial assets	349	453
Other current assets	4,431	4,920
	20,599	**28,408**
Total assets	**30,710**	**37,008**
Equity		
Equity share capital	3,962	3,399
Other equity	(2,198)	(4,561)
	1,764	**(1,162)**
Non - Controlling Interests	**-**	**-**
Non - Current liabilities		
Financial liabilities		
- Borrowings	5,792	5,168
Lease liability	500	-
Provisions	789	710
	7,081	**5,878**
Current liabilities		
Financial liabilities		
- Borrowings	7,211	12,388
Lease Liability	393	-
- Trade payables	5,713	10,925
- Other financial liabilities	3,661	3,007
Other current liabilities	4,756	5,706
Provisions	**131**	**266**
	21,865	**32,292**
Total equity and liabilities	**30,710**	**37,008**

Inspirisys Solutions Limited (Formerly Accel Frontline Limited), First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010.
CIN: L30006TN1995PLC031736

Key Highlights

A. Equity and Reserves

The Equity Capital of the Company increased from ₹ 33,99,18,730 (divided into 3,39,91,873 equity shares of face value ₹ 10 each) to ₹ 39,61,68,730 (divided into 3,96,16,873 equity shares of face value ₹ 10 each) pursuant to the issue and allotment of 56,25,000 equity shares of face value ₹ 10 on preferential allotment basis to CAC Holdings Corporation, Promoter. Consequently the Net Worth of the Company which was negative ₹ 1,162 Lakhs in Financial Year 2018-19 has turned out to be positive at ₹ 1,764 Lakhs as at 31st March 2020

B. Borrowings

The Long Term Borrowings of the Company with respect to External Commercial Borrowings remained the same except for exchange fluctuations impact. The other long term borrowings and working capital facilities with the Banks were reduced consequent to cash inflow on account of additional capital infusion from preferential allotment of equity shares to CAC Holdings Corporation, Japan in March 2019 and June 2019.

C. Receivables Management

The company has written off/provided for bad debts of ₹ 450 Lakhs on standalone basis and ₹ 51 Lakhs on consolidated basis during the financial year. The Receivables (before allowances for credit loss) which are classified as "Current" under the new Ind AS stands at ₹ 14,978 Lakhs as at 31st March, 2020 as compared to ₹ 22,186 Lakhs as at 31st March, 2019.

D. Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include change in Government regulations, tax laws, economic & political developments within and outside the country and such other factors.

For and on behalf of the Board of Directors

Place: Chennai **Malcolm F. Mehta**
Date: 10th August, 2020 **Chairman & Chief Executive Officer**

ANNEXURE-III

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [(In terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)]

A. CONSERVATION OF ENERGY

The Company's operations involve low energy consumption to run its various offices and therefore the scope of energy conservation is limited. The Company however, has means and processes to constantly monitor the usage of power and optimize the same to the extent possible.

B. TECHNOLOGY ABSORPTION

The Company is constantly upgrading and adapting new technologies to meet the technology challenges.

C. RESEARCH AND DEVELOPMENT (R&D)

During the year under review, the company has not initiated any new R&D activity.

D. FOREIGN EXCHANGE EARNING AND OUTGO

Details of Foreign Exchange Earnings and Outgo is given below:

₹ in lakhs

Sl. No.	Particulars	2019 - 2020	2018 - 2019
(i)	Total Foreign Exchange earned	3,274.00	3,706.21
(ii)	Total Foreign Exchange outflow	181.00	313.00

Annexure IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020.

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L30006TN1995PLC031736
ii.	Registration Date	8th June, 1995
iii.	Name of the Company	Inspirisys Solutions Limited (Formerly Accel Frontline Limited)
iv.	Category/Sub-Category of the Company	Information Technology
v.	Address of the Registered office and contact details	First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010, Tamil Nadu, India. Tel: 044 - 42252000 Email: sundaramurthy@inspirisys.com Website: www.inspirisys.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083. Tel: 022-49186270 Fax: 022-49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Systems Integration	99831326	36%
2	IT Services	99831512	60%
3	Warranty Management Services	99831323	4%

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	CAC Holdings Corporation 24-1, Hakozaki-cho, Nihonbashi Chuo-ku, Tokyo 103-0015, Japan.	N.A	Holding	69.95%	2(46)
2.	Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited) 1st Floor, Dowlath Towers, New Door Nos. 57,59,61 & 63, Taylors Road, Kilpauk, Chennai - 600 010.	U80903TN2007PLC062824	Subsidiary	100%	2(87)
3.	Inspirisys Solutions DMCC (Formerly Accel Frontline DMCC) Office No. 2803, Saba 1 Tower Cluster E, P.O. Box 488019, Jumeirah Lake Towers, Dubai, UAE.	N.A.	Subsidiary	100%	2(87)
4.	Network Programs (USA) Inc., 1430, Broadway, Suite No. 1805, New York, NY - 10018, USA.	N.A.	Subsidiary	100%	2(87)
5.	Inspirisys Solutions Japan KK (Formerly Accel Japan KK) EG: 16F, 24-1, Hakozaki, Nihombashi, Chuo, Tokyo 103-0015 Japan.	N.A.	Subsidiary	100%	2(87)
6.	Inspirisys Solutions North America, Inc. (Formerly Accel North America Inc.,) 2975 Bowers Ave Ste 323 Santa Clara CA 95051, United States of America (USA)	N.A	Subsidiary	100%	2(87)
7.	Inspirisys Solutions Europe Ltd. (Formerly Accel Technologies Ltd.) 268, Bath Road, Slough, Berkshire SL1 4DX, United Kindom (UK)	N.A	Subsidiary	100%	2(87)

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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual / HUF	0	0	0	0	0	0	0	0	0
b. Central Govt.	0	0	0	0	0	0	0	0	0
c. State Govt.(s)	0	0	0	0	0	0	0	0	0
d. Bodies Corp.	0	0	0	0	0	0	0	0	0
e. Banks / FI	0	0	0	0	0	0	0	0	0
f. Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2. Foreign									
g. NRIs-Individuals	0	0	0	0	0	0	0	0	0
h. Other-Individuals	0	0	0	0	0	0	0	0	0
i. Bodies Corp.	2,20,87,125	0	2,20,87,125	64.98	2,77,12,125	0	2,77,12,125	69.95	4.97
j. Banks / FI	0	0	0	0	0	0	0	0	0
k. Any Other….	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**2,20,87,125**	**0**	**2,20,87,125**	**64.98**	**2,77,12,125**	**0**	**2,77,12,125**	**69.95**	**4.97**
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	**2,20,87,125**	**0**	**2,20,87,125**	**64.98**	**2,77,12,125**	**0**	**2,77,12,125**	**69.95**	**4.97**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b. Banks / FI	29,890	0	29,890	0.09	29,890	0	29,890	0.08	(0.01)
c. Central Govt	0	0	0	0	0	0	0	0	0
d. State Govt(s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0	0	0	0	0	0	0
g. FIIs	0	0	0	0	0	0	0	0	0
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1)	**29,890**	**0**	**29,890**	**0.09**	**29,890**	**0**	**29,890**	**0.08**	**(0.01)**

Category of Shareholders	No.of Shares held at the beginning of the year (01.04.2019)				No.of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a. Bodies Corp. (i) Indian	50,74,792	0	50,74,792	14.93	51,00,940	0	51,00,940	12.88	(2.05)
(ii) Overseas	0	0	0	0	0	0	0		0
b. Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	30,59,430	42,756	31,02,186	9.13	30,51,923	33,956	30,85,879	7.79	(1.34)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	28,72,344	0	28,72,344	8.45	29,58,642	0	29,58,642	7.47	(0.98)
c) NBFCs registered with RBI	1100	0	1100	0	0	0	0	0	0
c) Others (Specify)									
i) Clearing Member	1,42,298	0	1,42,298	0.42	18,584	0	18,584	0.05	(0.37)
ii) Non Resident Indians (REPAT)	3,03,104	5,350	3,08,454	0.91	3,00,961	5,350	3,06,311	0.77	(0.14)
iii) Non Resident Indians (NON REPAT)	18,973	0	18,973	0.06	20,886	0	20,886	0.05	(0.01)
iv) Trusts	0	0	0	0.00	0	0	0	0	0
v) Hindu Undivided family	3,23,372	0	3,23,372	0.95	3,36,801	0	3,36,801	0.85	(0.10)
vi) IEPF	31,339	0	31,339	0.09	46,815	0	46,815	0.12	0.03
Sub-Total (B) (2)	**1,18,26,752**	**48,106**	**1,18,74,858**	**34.94**	**1,18,35,552**	**39,306**	**1,18,74,858**	**29.98**	**(4.96)**
Total Public Shareholding (B)=(B) (1)+ (B) (2)	**1,18,56,642**	**48,106**	**1,19,04,748**	**35.02**	**1,18,65,442**	**39,306**	**1,19,04,748**	**30.05**	**(4.97)**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**3,39,43,767**	**48,106**	**3,39,91,873**	**100**	**3,95,77,567**	**39,306**	**3,96,16,873**	**100**	**0**

Note: Percentage in bracket represents negative percentage.

ii. Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	CAC Holdings Corporation	2,20,87,125	64.98	0	2,77,12,125	69.95	0	4.97
	Total	**2,20,87,125**	**64.98**	**0**	**2,77,12,125**	**69.95**	**0**	**4.97**

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	2,20,87,125	64.98	2,20,87,125	64.98
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): 1. Preferential Allotment - 19/06/2019	56,25,000	4.97%		
3	At the End of the year	2,77,12,125	69.95	2,77,12,125	69.95

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of the Total shares of the company	No. of Shares	% of the Total shares of the company
1	**AMICORP TRUSTEES (INDIA) PRIVATE LIMITED**				
	At the Beginning of the year	44,64,279	13.13	44,64,279	13.13
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	0	0		
	At the End of the year or on the date of separation, if separated during the year.	44,64,279	11.26	44,64,279	11.26
2	**PRAFUL MEHTA** **DEEPAK MEHTA**				
	At the Beginning of the year	3,83,509	1.13	3,83,509	1.13
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	36,741	0.07		
	At the End of the year or on the date of separation, if separated during the year.	4,20,250	1.06	4,20,250	1.06
3.	**KANCHAN DUNGERSHI DEDHIA** **ASHOK DUNGERSHI DEDHIA**				
	At the Beginning of the year	2,96,897	0.87	2,96,897	0.87
	Date wise Increase / Decrease in Shareholding during the years pecifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	4,905	0.11		
	At the End of the year or on the date of separation, if separated during the year.	3,01,802	0.76	3,01,802	0.76
4.	**ASHWIN DUNGERSHI DEDHIA**				
	At the Beginning of the year	2,92,228	0.86	2,92,228	0.86
	Date wise Increase / Decrease in Shareholding during the years pecifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	0	0		
	At the End of the year or on the date of separation, if separated during the year.	2,92,228	0.74	2,92,228	0.74

5.	**KANTA DUNGERSHI DEDHIA**				
	At the Beginning of the year	2,32,997	0.69	2,32,997	0.69
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	0	0		
	At the End of the year or on the date of separation, if separated during the year.	2,32,997	0.59	2,32,997	0.59
6.	**RAHUL KAYAN**				
	At the Beginning of the year	2,30,450	0.68	2,30,450	0.68
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	(4,380)	(0.11)		
	At the End of the year or on the date of separation, if separated during the year.	2,26,070	0.57	2,26,070	0.57
7.	**RAVINDRAKUMAR VINAYKUMAR RUIA** **AKSHAY RAVINDRAKUMAR RUIA**				
	At the Beginning of the year	1,58,040	0.46	1,58,040	0.46
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	0	0		
	At the End of the year or on the date of separation, if separated during the year.	1,58,040	0.40	1,58,040	0.40
8.	**VEJBAI DUNGERSHI DEDHIA**				
	At the Beginning of the year	1,50,382	0.44	1,50,382	0.44
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	0	0		
	At the End of the year or on the date of separation, if separated during the year.	1,50,382	0.38	1,50,382	0.38
9.	**SATISH GOPALAKRISHNA PILLAI**				
	At the Beginning of the year	1,16,202	0.34	1,16,202	0.34
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	0	0		
	At the End of the year or on the date of separation, if separated during the year.	1,16,202	0.29	1,16,202	0.29
10.	**DIVYESH AMBALAL SHAH** **SMITA DIVYESH SHAH**				
	At the Beginning of the year	1,12,339	0.33	1,12,339	0.33
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	0	0		
	At the End of the year or on the date of separation, if separated during the year.	1,12,339	0.28	1,12,339	0.28

*** It is not feasible to track movement of shares on daily basis. The changes are because of market transactions.**

The above details are given as on 31st March, 2020. The Company is listed and 99.90% shareholding is in dematerialized form.

The aforesaid holdings by top Ten Shareholders is based on market operations.

v. Shareholding of Directors and Key Managerial personnel

Directors and Key Managerial Personnel do not have any shareholding in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2019				
i) Principal Amount	11,284	4,069	NIL	15,353
ii) Interest due but not paid	0	0	NIL	0
iii) Interest accrued but not due	0	45	NIL	45
Total (i+ii+iii)	**11,284**	**4,114**	**NIL**	**15,398**
Change in Indebtedness during the financial year				
- Addition	1,60,815	2,984	NIL	1,63,799
- Reduction	1,65,911	2,983	NIL	1,68,894
Net Change	**(5,096)**	**1**	**NIL**	**(5,095)**
Indebtedness at the end of the financial year 31.03.2020				
i) Principal Amount	5,776	4,481	NIL	10,257
ii) Interest due but not paid	0	0	NIL	0
iii) Interest accrued but not due	0	46	NIL	46
Total (i+ii+iii)	**5,776**	**4,527**	**NIL**	**10,303**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and / or Manager **(₹ in Lakhs)**

Sl. No.	Particulars of Remuneration	Mr. Malcolm F. Mehta Chairman & Chief Executive Officer (WTD)(*)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	210	210
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	148	148
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00
2.	Stock Option	0.00	0.00
3.	Sweat Equity	0.00	0.00
4.	Commission - as % of profit	0.00	0.00
	- others, specify...	0.00	0.00
5.	Others, please specify - Retirement Benefits - PF contribution - Gratuity contribution	 0 5	 0 5
	Total (A)	**363**	**363**
	Ceiling as per the Act	Not Applicable	-

(*) M/s. CAC Holdings Corporation, Japan is reimbursing the cost and other expenses incurred by the Company for the employment of Mr. Malcolm F. Mehta.

B. Remuneration to other Directors **(₹ in Lakhs)**

Sl. No.	Particulars of Remuneration	Mrs. Ruchi Naithani	Mr. Raj Khalid	Mr. Rajesh R. Muni	Total
1.	**Independent Directors** • Fee for attending board/committee meetings	5.40	5.60	5.20	16.20
	• Commission	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00
	Total (1)	**5.40**	**5.60**	**5.20**	**16.20**
2.	**Other Non-Executive Directors**				**Total**
	• Fee for attending board/committee meetings	0.00	0.00	0.00	0.00
	• Commission	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00
	Total (2)	**0.00**	**0.00**	**0.00**	**0.00**
	Total (B) = (1+2)	**5.40**	**5.60**	**5.20**	**16.20**
	Total Managerial Remuneration (A)				**363.00**
	Total Remuneration (A+B)				**379.20**
	Overall Ceiling as per the Act	Not Applicable			

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD **(₹ in Lakhs)**

Sl. No.	Particulars of Remuneration	Mr. Murali Gopalakrishnan, Chief Financial Officer	Mr. S.Sundaramurthy, Company Secretary	Total
1.	Gross Salary (a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	80.03	21.74	101.77
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.28	0.08	0.36
	(c) Profits in lieu of salary under section 17 (3) of Income-tax Act, 1961	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission - as % of profit	0.00	0.00	0.00
	- others, specify	0.00	0.00	0.00
5.	Others, please specify Retirement Benefits - PF Contribution	0.22	0.22	0.43
	- Gratuity Contribution	1.15	0.29	1.44
	Total	**81.68**	**22.33**	**104.01**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There was no penalities / punishment / compounding of offences for the year ending 31st March, 2020.

Annexure V

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
INSPIRISYS SOLUTIONS LIMITED
(Formerly known as Accel Frontline Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INSPIRISYS SOLUTIONS LIMITED** (Formerly known as Accel Frontline Limited) hereinafter called the **("Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March 2020 **("Audit Period")** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the Financial Year ended 31st March 2020 according to the provisions of:

1. The Companies Act, 2013 ('Act') and the rules made thereunder, as amended from time to time;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as amended from time to time;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended from time to time;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as amended from time to time;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time;

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding dealing with client;
f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

We have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and as mandated by the Companies Act, 2013.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above.

We further report that based on the explanation given, information received and process explained, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable labour laws, rules, regulations and guidelines. The Company has confirmed compliance with the following labour and industrial laws;

1. The Employees' Provident Funds & Miscellaneous Provisions Act, 1952
2. The Employees' State Insurance Act, 1948
3. The Equal Remuneration Act, 1976 and The Equal Remuneration Rules, 1976
4. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
5. The Maternity Benefit Act, 1961
6. The Minimum Wages Act, 1948
7. The Payment of Bonus Act, 1965
8. The Payment of Gratuity Act, 1972
9. The Payment of Wages Act, 1936
10. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
11. The Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981
12. The Tamil Nadu Payment of Subsistence Allowance Act, 1981
13. The Industrial Disputes Act, 1949
14. The Tamil Nadu Labour Welfare Fund Act, 1972
15. The Tamil Nadu Shops and Establishments Act, 1947
16. The Tamil Nadu Tax on Professions, Trades & Callings and Employments Act, 1992

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance or as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period-

1. The company obtained approval by way of special resolution and allotted 56,25,000 (Fifty Six Lakhs Twenty Five Thousand only) equity shares of ₹ 10 each at an issue price of ₹ 54.30 per Equity Share to their promoter, CAC Holdings Corporation, Japan, on preferential basis.
2. Further, de-classification of Accel Limited, Accel Systems Group Inc., & Mr. N.R. Panicker, Erstwhile Shareholders as promoters of Inspirisys Solutions Limited (erstwhile name Accel Frontline Limited) was permitted by the stock exchanges in line with the shareholders' approval.

For M. Alagar & Associates

Place: Chennai
Date: June 23, 2020

M.Alagar
Managing Partner
FCS No: 7488
CoP No.: 8196
UDIN: F007488B000368948

REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

Inspirisys Solutions Limited (Formerly Accel Frontline Limited), through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with environmental concern.

The policy encompasses the company's philosophy its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons. The CSR policy is available on the company's website www.inspirisys.com under investors section.

For purposes of focusing its CSR efforts in a continued and effective manner, the following areas have been identified:

1. Community drinking water supply
2. Sanitation facilities (with focus on toilets)
3. Education
4. Eradicating hunger, Poverty and Malnutrition
5. Protection of National Heritage, art and culture
6. Training to promote Rural sports, nationality recognised sports
7. Slum area development

2. The Composition of the CSR Committee

The Company has constituted the CSR Committee with the following Directors:

Sl. No.	Name	Members
1	Mr. Malcolm F. Mehta	Chairman (Executive & Non - Independent)
2	Mr. Rajesh R. Muni	Member (Independent)
3	Mrs. Ruchi Naithani	Member (Independent)

3. Average net profit of the company for the last three financial years **₹ in Lakhs**

Sl. No.	For the Financial Year	Annual Net Profit
1	2016-17	(1,396.00)
2	2017-18	272.00
3	2018-19	1,298.00
	Total	**174.00**
	Average Annual Net Profit	**58.00**

4. **Prescribed CSR Expenditure (2% percent of the amount as in item 3 above)**

   2% of Average Net Profit - Rs. 1.16 Lakhs.

5. **Details of CSR spent during the financial year**
   (a) Total amount to be spent for the financial year: Rs. 1.16 Lakhs.
   (b) Amount unspent, if any: NA
   (c) Manner in which the amount spent during the financial year: Attached as per annexure in this report

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Place: Chennai
Date: 10th August, 2020

Malcolm F. Mehta
Chairman & Chief Executive Officer
Chairman of CSR Commitee

Manner in which the amount spent on CSR activities during the financial year

Sl. No.	CSR Project or activity identified	Sector in which the Project is Covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount Spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency (*)
1	Spend the amount towards feeding the daily wage labourers, migrant workers, homeless and poor due to the COVID-19 virus pandemic	Poor and daily wage labourers around the city to eradicate the hunger.	Local area, where the company operates and the location is Chennai District, Tamil Nadu	₹ 1.16 Lakhs	Direct expenditure of ₹ 1.16 Lakhs	₹ 1.16 Lakhs spent for the financial year 2019-2020	An amount of ₹ 1.16 Lakhs has been spent through Registered Trust namely KVN Foundation

(*) The details of implementing agency as given below:

Name of the Registered Trust	Address	Details of Trust and Experience
KVN Foundation	207, Prestige Copper Arch, Infantry Road, Bangalore - 560001	It is a Registered Trust having track record of doing CSR activities. Experience: Since its inception the Trust was involved in the activities of providing food for poor and daily wage labourers around the city to eradicate the hunger.

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance.

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements but is a combination of practices and compliance with laws and regulations leading to effective control and management of the Organization. The Company's inherent core values has a superior level of business ethics, effective supervision and enhancement of shareholder value. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholder's value. Good Corporate Governance leads to long term stakeholder's value. The Company strives to be a customer-first and quality-obsessed corporate entity. Corporate Governance rests upon transparent accounting policies, timely disclosures, constant monitoring and an independent board.

Your company is committed to the adoption of and adherence to the best Corporate Governance practices at all times. Good Governance practices stem from the dynamic culture and positive mind set of the organization.

A Report on Compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

GOVERNANCE STRUCTURE

The company's governance structure comprises of the Board of Directors and the Committees of the Board at the apex level and the Executive Management at the operational level. The Board sets out the overall corporate objectives and provides direction and independence to the Management to achieve these corporate objectives within a given framework.

Board of Directors - The Board of Directors and its Committees play a fundamental role in upholding and nurturing the principles of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its members and other stakeholders and the utilization of resources for creating sustainable growth and thereby creation of shareholder value.

Committee of Directors - Recognizing the immense contribution that committees make in assisting the Board of Directors in discharging its duties and responsibilities and with a view to have a close focus on various facets of the business, the Board has constituted the following committees:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee

which are mandatory Committees.

1.1 Key Activities of the Board during the year.

The Board critically evaluates and provides strategic direction to the company, management policies and their effectiveness. The Board's mandate is to oversee the company's strategic direction, review and monitor performance, ensure regulatory compliance and safeguard shareholders interest. Their main function is to ensure that long term interests of the stakeholders are being served. The agenda for Board reviews / include strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operation plans and capital allocation and budgets. In addition, the Board reviews the business plans of all the Business Divisions of the Company. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for future growth of the Company. Voluntary Corporate Governance Guidelines of the Ministry of Corporate Affairs, Government of India broadly outline a framework for corporate sector on important parameters like appointment of directors, guiding principles to remunerate directors, responsibilities of the board, risk management, the enhanced role of Audit Committee and conduct of Secretarial Audit.

1.2 Role of the Company Secretary in Overall Governance Process.

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors for effective decision making at the meeting. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the company and regulatory authorities. All the Directors of the Company have access to the services of the Company Secretary. The Company Secretary ensures that all the decisions and observations of the Board are covered and implemented through Action Taken Report (ATR) and Board is appraised of the actions taken.

1.3 Selection and appointment of new Directors on the Board.

The requirements of the skill-sets on the Board and the broad guidelines are issued by ISL. Eminent persons having an independent standing in their respective field / profession and who can effectively contribute to the company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment of new Directors on the Board. The number of directorships, memberships and chairmanships in various committees of other companies by such persons is also considered.

1.4 Selection criteria of Board Members.

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. Board members are expected to possess expertise, leadership skills required to manage and guide a high growth. The members are not related to any Executive or Independent Director. Based on the disclosures received from all the independent directors and also in the opinion of the Board, the independent directors fulfill the conditions specified in the Companies Act, 2013 and the listing regulations and are independent of the management.

1.5 Familiarization Program of Independent Directors.

The Familiarization Program for Independent Directors of the Company was being conducted on completion of Board Meetings and the details of such familiarization program are disseminated on the website of the Company www.inspirisys.com.

Presentations/briefings were also made at the meeting of the Board of Directors/Committees by KMP's/Senior Executives of the Company on company's financial, sales and operational performance, industrial relations prevailing during the period, marketing strategies, etc.

1.6 Prevention of Insider Trading.

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, a Securities Dealing Code "Company's Code of Conduct to regulate, monitor and report trading by designated persons" and "Company's Code of Practices and Procedures for Fair Disclosure of unpublished price sensitive information" for Prevention of Insider Trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the company by an insider on the basis of unpublished price sensitive information. Under this code, the Designated Persons and their immediate relatives of the company are prevented from dealing in the company's shares during the closure of Trading Window.

To deal in securities beyond specified limit, permission of Compliance Officer is also required. All Designated Persons and their immediate relatives who buy or sell any number of shares of the company does not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. The aforesaid code is available at the website of the company www.inspirisys.com.

1.7 Vigil Mechanism.

The Company has formulated a Whistle Blower Policy of Vigil Mechanism and has established a mechanism for the Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Code of Conduct or Ethics Policy. The Whistle Blower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities / unethical behaviour. All suspected violations and reportable matters are reported to the Chairperson of the Audit Committee directly. The company affirms that no personnel has been denied access to the Audit Committee. Further details are available in the Whistle Blower Policy / Vigil Mechanism of the company posted in Company's Website www.inspirisys.com.

2. Board of Directors.

The Company has a high profiled Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience. Directors are provided with well-structured and comprehensive agenda papers in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion in the meeting. During the year, information as per SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 has been placed before the Board for its consideration from time to time as and when required. Minutes of the Board Meetings / Committee Meetings are circulated to the Directors well in advance and confirmed at the subsequent meetings.

2.1 Composition of Board.

The Board has an optimum combination of Executive, Non - Executive and Independent Directors, which ensure proper governance and management.

The Board of the company consist of an Executive Director, one Non - Executive Director and four Independent Directors including one Woman Director. The Company has an appropriate size of the Board for real strategic discussion and avails benefit of diverse experience and viewpoints.

All directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

2.2 Non-Executive Independent Directors compensation and disclosures.

The Non-Executive Independent Directors are paid sitting fees within the limits prescribed under Section 197 of the Act and the rules made thereon. The Non-Executive Independent Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees to them during the year 2019-2020.

Independent Directors are not serving as Independent Directors in more than seven listed companies. None of Directors of the Company hold the position as Whole Time Director / Managing Director in Company itself nor serve as Independent Director in more than three listed companies.

2.3 Other provisions as to Board and Committees.

The Board comprises of Mr. Malcolm F. Mehta as Chairman and Chief Executive Officer, Mr. Koji Iketani as Non-Executive & Non-Independent Director and Mrs. Ruchi Naithani, Mr. Raj Khalid, Mr. Rajesh R. Muni and Mr. M S Jagan as Independent & Non - Executive Directors.

Five (5) meetings of the Board of Directors were held on 9th May, 2019, 19th June, 2019, 8th August, 2019, 7th November, 2019 and 7th February, 2020. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are Members of more than 10 Committees or Chairperson of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2020 have been made by the Directors as per Regulation 26 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 17th September, 2019 with particulars of their Directorships, Chairmanship and Membership of Board Committees of the companies showing the position as on 31st March, 2020 are given below:

Names of the Director	Category as at 31.03.2020	No. of Board Meetings attended out of 5 meetings held as on 31.03.2020	Attendance at the last AGM held on 17.09.2019	No. of Directorship held in Indian Public Limited Companies [excluding Inspirisys Solutions Limited (Formerly Accel Frontline Limited)]	Committee/s position as on 31.03.2020 [All companies excluding Inspirisys Solutions Limited (Formerly Accel Frontline Limited)]		Directorship in other listed entity (Category of Directorship)
					Member	Chairman	
Mr. Malcolm F. Mehta	Chairman and Chief Executive Officer	5	Yes	1	0	0	-
Mr. Bin Cheng (Director upto 7.11.2019)	Non-Executive Non Independent	3	No	0	0	0	-
Mr. Koji Iketani (Director w.e.f. 19.06.2019)	Non-Executive Non Independent	3	Yes	0	0	0	-
Mrs. Ruchi Naithani	Non-Executive Independent	5	Yes	0	0	0	-
Mr. Raj Khalid	Non-Executive Independent	5	Yes	0	0	0	-
Mr. Rajesh R. Muni	Non-Executive Independent	5	Yes	1	1	1	I G Petrochemicals Limited (Non-Executive, Independent)
Mr. M S Jagan (Director w.e.f. 7.02.2020)	Non-Executive Independent	0	NA	1	1	1	-

Other Directorships do not include Alternate Directorships, Directorships of Private Limited Companies, Section 8 of Companies Act, 2013 and Foreign Companies.

Chairmanships / Memberships of Board Committees include only Audit Committee and Stakeholders Relationship Committee of Public Limited Companies.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

No Director of the Company is related to any other Director of the Company.

2.4 List of core skills, expertise and competencies identified by the Board.

The Board of Directors have identified the following core skills, expertise and competencies in the context of the Company's business and sector for it to function effectively which are given below:

The Board of Directors shall possess hands on expertise on technical, academic skills, general management, global business, technology, manufacturing / operations, risk management etc. The Board of Directors shall understand company's structure, policies, and culture including the mission, vision, values, goals, current strategic plan and governance structure and also in which the Company operates including the industrial trends, challenges and opportunities, unique dynamics within the sector that are relevant to the success of the Company.

The Directors shall have ability to understand and analyse financial reports / key financial statements to review and analyze budgets, annual operating plans considering Company's resources, strategic goals, and priorities, analyze various reports, create and incorporate multiple view points with different perspectives. Ability to identify key risks to the organisation in a wide range of areas including sales, marketing, legal and regulatory compliance management and systems.

Considering the skills, expertise and competencies required for effective functioning and discharge of Board's duties, your Board is satisfied with the present composition of the Board of Directors. In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are independent of the management.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted:

Director	Technical	Academic skills	General Management	Global business, technology, manufacturing / operations, risk management
Mr. Malcolm F. Mehta, Chairman & Chief Executive Officer	✓	✓	✓	✓
Mr. Koji Iketani, Non-Executive Director	✓	✓	✓	✓
Mrs. Ruchi Naithani, Independent Director	✓	✓	✓	✓
Mr. Raj Khalid, Independent Director	✓	✓	✓	✓
Mr. Rajesh R. Muni, Independent Director	✓	✓	✓	✓
Mr. M S Jagan, Independent Director	✓	✓	✓	✓

2.5 Code of Conduct.

(i) The Board of Directors has laid down Code of Conduct for Board of Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company www.inspirisys.com.

(ii) The Members of the Board and Senior Management Personnel have affirmed the compliance with the Code applicable to them during the year ended on 31st March, 2020. The Annual Report of the Company contains a Certificate signed by the Chairman and Chief Executive Officer in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the compliance declarations received from Directors and Senior Management.

2.6 Board's Functioning & Procedure.

The ISL Board plays a pivotal role in ensuring good governance. Its style of functioning is democratic. The Members of the Board have always had complete freedom to express their opinion and decisions are taken on the basis of a consensus arrived at after detailed discussion. The members are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs longterm sustainable growth that translates itself into progress, prosperity and the fulfilment of stakeholders' aspirations, is accomplished. It also sets standards of corporate behavior and ensures ethical behaviour at all times and strict compliance with laws and regulations.

The Agenda placed at the Meetings of the Board include the following:

- Report on operations of the company;
- Annual Operating Plans and budgets;
- Opportunities for organic and inorganic growth;
- Business Plans and analysis of variances periodically as compared to the plans;
- The quarterly/half yearly financial results and the annual accounts of the company, both consolidated and on standalone for consideration and approval;
- Minutes of the meetings of audit committee and other committees and other committees;
- Status of borrowings and details of material foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement;
- Delegation of powers to the operational management;
- Review of compliance reports pertaining to all laws applicable to the company, as well as steps taken by the company to rectify instances of non-compliances;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any;
- Sale of investments, subsidiary, assets which are material in nature and not in normal course of business;
- Information on senior appointments below the board level including the appointment/removal of the Chief Financial Officer (CFO) and the Company Secretary (CS);
- Proposals for joint ventures/collaborations;
- Non-compliance of any regulatory, statutory or listing requirements.
- Material communication from government including show cause notices, demand, prosecution, notices and penalty notices, if any, which are materially important;
- Communication to Stock Exchanges and the shareholders regarding company's performance, future plans and other decision/changes of significant importance or of price sensitive nature;
- Various Quarterly / Half Yearly Stock Exchange compliance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the items on the Agenda are accompanied by notes giving information on the related subject. The Agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

The Minutes of the meetings of the Board are circulated to all Directors and confirmed at the subsequent Board Meeting.

2.7 Details of Board Meetings held upto 31.03.2020 and the number of Directors present are given below:

Sr. No.	Dates on which the Board Meetings were held	Total strength of the Board	No. of Directors Present
1.	9th May, 2019	5	5
2.	19th June, 2019	5	5
3.	8th August, 2019	6	6
4.	7th November, 2019	6	5
5.	7th February, 2020	5	5

3. Board Committees.

3.1 Audit Committee.

(A) Qualified and Independent Audit Committee.

The Company complies with Section 177 of the Companies Act, 2013 as well as requirements under the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 pertaining to the Audit Committee. Its functioning is as under:

(i) The Audit Committee presently consists of the four non-executive directors, out of which three are independent directors;

(ii) All members of the Committee are financially literate and having the requisite financial management expertise;

(iii) The Chairman of the Audit Committee is an Independent Director;

(iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 17th September, 2019.

(B) Terms of reference.

The terms of reference of the Audit Committee include inter-alia:

- Oversight of Company's Financial reporting process and the disclosure of its financial information;
- Recommendation of appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing with the Management, the annual financial statements and Auditors' report thereon;
- Matters to be included in the Directors' Responsibility statement to be included in the Boards' Report;
- Changes, if any, in the accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and legal requirements relating to financial statements;
- Approval or subsequent modification of transactions of the company with related parties;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Scrutiny of Inter Corporate Loans and investments;
- Evaluation of Internal financial controls and risk management systems;
- Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before audit commences, about the nature and scope of audit as well as post audit discussions to ascertain any area of concern;
- To review the functioning of whistle blower mechanism;
- To review compliance with provisions of the SEBI (PIT) Regulations and to verify that the systems for internal control are adequate and are operating effectively, at least once in a financial year;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary.

(C) Composition, Names of Members and Chairperson, its meetings and attendance:

Mr. Rajesh R. Muni	Chairman
Mr. Bin Cheng	Member (upto 7.11.2019)
Mrs.Ruchi Naithani	Member
Mr. Raj Khalid	Member
Mr. Koji Iketani	Member (w.e.f. 8.08.2019)

During the year, 4 (four) Audit Committee meetings were held on 9th May, 2019, 8th August, 2019, 7th November, 2019 and 7th February, 2020.

The composition of the Audit Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held	Meetings attended
Mr. Rajesh R. Muni	Independent	4	4
Mr. Bin Cheng (member upto 7.11.2019)	Non-Executive, Non-Independent	4	2
Mrs. Ruchi Naithani	Independent	4	4
Mr. Raj Khalid	Independent	4	4
Mr. Koji Iketani (member w.e.f. 8.08.2019)	Non-Executive, Non-Independent	4	2

The Committee meetings are attended by invitation by the Chief Executive Officer, Chief Financial Officer, representatives of the Statutory Auditors and the Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

3.2 Nomination and Remuneration Committee.

(A) Constitution.

The Nomination and Remuneration Committee comprises of:

Mrs. Ruchi Naithani	Chairperson
Mr. Bin Cheng	Member (upto 7.11.2019)
Mr. Raj Khalid	Member
Mr. Rajesh R. Muni	Member (w.e.f. 8.08.2019)

(B) Terms of reference

Terms of reference of the Nomination and Remuneration Committee include:

- To identify persons who are qualified to become directors and who may be appointed in senior management, recommend to the board their appointment and removal;
- Formulation of criteria for determining the qualifications, positive attributes and independence of the director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- To recommend the board, all remuneration, in whatever form, payable to senior management.

(C) Meetings and attendance during the year:

During the year 4 (four) meetings of Nomination and Remuneration Committee were held on 9th May, 2019, 19th June, 2019, 8th August, 2019 and 7th February, 2020.

The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held	Meetings attended
Mrs. Ruchi Naithani	Independent	4	4
Mr. Raj Khalid	Independent	4	4
Mr. Bin Cheng (upto 7.11.2019)	Non Executive, Non Independent	4	3
Mr. Rajesh R. Muni (w.e.f 8.08.2019)	Independent	4	1

(D) Nomination and Remuneration policy.

The Nomination and Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Nomination and Remuneration Policy approved by the Board of Directors is posted on the website of the Company www.inspirisys.com

(E) Performance evaluation of Independent Directors.

The Nomination and Remuneration Committee evaluates the performance of Independent Directors and recommends Commission, if any, payable to them based on Board structure, their commitment towards attending the meetings of the Board / Committees, contribution, Board culture and dynamics, Internal controls, governance, their attention to the affairs of the Company and their overall performance apart from sitting fees paid for each board and committee meetings attended by them.

(F) Remuneration to Chairman and Chief Executive Officer.

(a) Mr. Malcolm F. Mehta, is the Chairman and Chief Executive Officer of the Company. The salary, benefits and perquisites paid to Mr. Malcolm F. Mehta were Rs. 363 lakhs. M/s. CAC Holdings Corporation, Japan is reimbursing the cost and other expenses incurred by the Company for the employment of Mr. Malcolm F. Mehta.

(G) Remuneration to Non-Executive Directors.

(a) The Non-Executive Directors are entitled to sitting fee for attending the Board/Committee Meetings as detailed below.

Board Meeting	₹ 60,000/- per meeting
Audit Committee	₹ 20,000/- per meeting
Nomination and Remuneration Committee	₹ 20,000/- per meeting
Stakeholders' Relationship Committee	₹ 20,000/- per meeting
Independent Directors Committee	₹ 20,000/- per meeting
Corporate Social Responsibility Committee	₹ 20,000/- per meeting

The Board considered the performance of the Non-Executive Directors based on their attendance and contribution at the Board and Committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Payment of Sitting Fees to the Non-Executive Directors for the year ended 31st March, 2020 are as under: **(₹ In Lakhs)**

Names of Director	Sitting Fee	Commission	Total
Mrs. Ruchi Naithani	5.40	Nil	5.40
Mr. Raj Khalid	5.60	Nil	5.60
Mr. Rajesh R. Muni	5.20	Nil	5.20

Notes:

(i) The Non-Executive Directors have disclosed that they do not hold any shares in the Company.

(ii) There has been no pecuniary relationship or transactions other than above of the Non-Executive Directors vis-à-vis the Company during the year under review.

3.3 Stakeholders Relationship Committee.

(A) Composition, Members, its meetings and attendance.

Stakeholders Relationship Committee comprises of:

Mr. Raj Khalid	Chairman
Mr. Bin Cheng	Member (upto 7.11.2019)
Mr. Rajesh R. Muni	Member
Mrs. Ruchi Naithani	Member (w.e.f. 8.08.2019)

The Committee is set to consider and resolve the grievances of the shareholders. The Committee also recommends measures for overall improvement of the quality of Investor services.

During the year, 4 (four) meetings of the Stakeholders Relationship Committee were held on 9th May, 2019, 8th August, 2019, 7th November, 2019 and 7th February, 2020.

The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members during the year are given below:

Name of Member	Category	Meetings held	Meetings attended
Mr. Raj Khalid	Independent	4	4
Mr. Bin Cheng (upto 7.11.2019)	Non Executive, Non Independent	4	2
Mr. Rajesh R. Muni	Independent	4	4
Mrs. Ruchi Naithani (w.e.f. 8.08.2019)	Independent	4	2

3.4 Corporate Social Responsibility Committee.

(A) Composition, Members, its meetings and attendance.

Corporate Social Responsibility Committee comprises of:

Mr. Malcolm F. Mehta	Chairman
Mrs. Ruchi Naithani	Member
Mr. Rajesh R. Muni	Member

The Committee is set to :

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

During the year, 1 (one) meeting of the Corporate Social Responsibility Committee was held on 7th November, 2019.

The composition of the Corporate Social Responsibility Committee and number of meetings attended by the Members during the year are given below :

Name of Member	Category	Meetings held	Meetings attended
Mr. Malcolm F. Mehta	Executive & Non-Independent	1	1
Mrs. Ruchi Naithani	Independent	1	1
Mr. Rajesh R. Muni	Independent	1	1

3.5 Annual Performance Evaluation.

Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of its Audit, Nomination & Remuneration, Stakeholders Relationship and Corporate Social Responsibility Committee respectively. The inputs received from directors covering various aspects of the Board functioning such as adequacy of the composition of the board and its committees, governance, internal controls and financial reporting was considered.

To evaluate the performance of the individual directors, the Board considered the criteria of attendance and level of participation, independence of judgment exercised by independent directors, independent relationship etc.

3.6 Separate Meeting of Independent Directors.

During the year under review, the Independent Directors met on 7th February, 2020 inter alia to:

➢ Review the Performance of Non-Independent Directors and the Board of Directors as a whole;

➢ Review the Performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors;

➢ Assess the quality, quantity and time lines of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting without the presence of Non-Independent Directors and members of the Management.

3.7 Name and Designation of the Compliance Officer.

Mr. S. Sundaramurthy, Company Secretary been designated as Compliance Officer of the Company in line with the requirement of SEBI Listing Regulations and can be contacted at:

Inspirisys Solutions Limited
(Formerly Accel Frontline Limited)
First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63,
Taylors Road, Kilpauk, Chennai - 600 010, Tamil Nadu, India.
Tel: 044 - 4225 2071
Email: sundaramurthy.s@inspirisys.com

3.8 Complaints received and redressed during the year 2019-2020.

Opening Balance	Received during the year 2019-2020	Resolved during the year 2019-2020	Closing Balance
0	12	12	0

3.9 Suspense Account for the unclaimed shares.

There is no Suspense Account for unclaimed shares during the year.

3.10 Transfer of Unclaimed Dividend to IEPF.

During the year 2019 - 2020, the company has transferred the unclaimed dividend of ₹ 1,09,319/- for the financial year 2011-2012 to IEPF.

3.11 Unclaimed Dividend.

Year - wise list of the shareholders who have not claimed their dividend is posted at website of MCA as well as website of the Company www.inspirisys.com in line with MCA Circular.

3.12 Transfer of shares to IEPF.

As per amended IEPF (Accounting, Audit, Transfer and Refund) Rules, 2017, the company has transferred the underlying shares to the IEPF authority for which the dividends were not claimed for the financial year 2011-2012.

4. Subsidiary Company.

(i) The Company has One Indian Subsidiary Company.

(ii) The Financial Statements of the unlisted foreign subsidiary companies are being placed before the Board.

5. Disclosures.

(A) Basis of related party transactions.

(i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.

(ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.

(iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

(iv) The Board has approved a policy for related party transactions which has been uploaded on the Company's website www.inspirisys.com.

(B) Disclosure of Accounting Treatment.

Pursuant to the notification issued by the Ministry of Corporate Affairs dated 16th February, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted "IND AS" with effect from 01st April, 2017. Accordingly, the financial statements from the year 2017-18 onwards have been prepared in compliance with the said Rules.

(C) Board Disclosures - Risk Management.

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Board of Directors review these procedures periodically.

(D) Proceeds from public issues, right issues, preferential issues etc.

The company has issued 56,25,000 equity shares to CAC Holdings Corporation, Promoter on a preferential basis. The company has utilized the funds for business expansion and growth and for general corporate purposes including, but not limited to, bringing down the short term and long term borrowings of the Company and / or to invest in new business opportunities. The capital infusion has increased the net-worth of the Company on standalone basis and on a consolidated basis making the Company net-worth positive. The Company did not have public issue and right issue.

(E) Secretarial Audit Report.

The Company has obtained Secretarial Audit Report from the Company Secretary in Practice for compliance with Section 204 (1) of the Companies Act, 2013. A text of the Annual Secretarial Audit Report is annexed elsewhere.

(F) Management Discussion and Analysis Report.

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

(G) Shareholders.

(i) The financial results are put on the Company's website www.inspirisys.com under the Investors Section.

(ii) The Company has also sent Annual Reports through email to those Shareholders who have registered their email ids with Depositary Participant.

(iii) Mr. Koji Iketani (DIN: 08486128) is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

6. Compliance on Corporate Governance.

The quarterly Compliance Report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

7. Mandatory and Non-Mandatory requirements.

The Company has complied with all the applicable mandatory requirements as provided in SEBI (LODR) Regulations, 2015.

The status on the compliance with the non-mandatory recommendation as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015 is as under:

(i) **The Board**
The requirement regarding the Non-Executive Chairman is not applicable.

(ii) **Shareholder Rights**
The Company's financial results are published in the Newspaper as per the Listing Requirements and also posted in the Company's website www.inspirisys.com along with other important events.

(iii) **Modified opinion(s) in audit report**
There are modified opinion in audit report of the Company for the year 2019- 2020.

(iv) **Separate posts of Chairperson and Chief Executive Officer**
The Company may appoint separate persons to the post of Chairperson and Managing Director or Chief Executive Officer.

(v) **Reporting of Internal Auditor**
The Internal Auditor reports directly to the Audit Committee.

8. General body meetings.

(A) Location and time of Annual General Meetings held in the last 3 years:

Year	Date	Venue of Meeting	Time	Whether any Special Resolution passed in previous AGM
2017	15/09/2017	"The Music Academy Mini Hall", TTK Road, Alwarpet, Chennai - 600 014.	02:30 P.M.	Yes(*)
2018	19/09/2018	"The Music Academy Mini Hall", TTK Road, Alwarpet, Chennai - 600 014.	10:30 A.M.	Yes(*)
2019	17/09/2019	"The Music Academy Mini Hall", TTK Road, Alwarpet, Chennai - 600 014.	11:00 A.M.	Yes(*)

(*) Special Resolution passed in the previous AGM

Year	Purpose
2017	➢ Reappointment of Whole Time Director Mr. Malcolm F. Mehta to be designated as the Chairman and Chief Executive Officer of the Company.
2018	➢ To adopt new Articles of Association of the Company.
2019	➢ Re-appointment of Mrs. Ruchi Naithani as an Independent Women Director. ➢ Re-appointment of Mr. Raj Khalid as an Independent Director

(B) Special Resolution passed at Extra Ordinary General Meeting:

EGM date and venue	Purpose
1. An Extra Ordinary General Meeting of the shareholders of the Company was held on 27th March, 2017 at 09.00 A.M. at The Music Academy Mini Hall, TTK Road, Alwarpet, Chennai - 600 014 for the approval of shareholders.	➢ To sell / dispose the entire stake of a Subsidiary Company in Singapore.
2. An Extra Ordinary General Meeting of the share holders of the Company was held on 22nd March, 2019 at 01.30. P.M. at The Music Academy Mini Hall, TTK Road, Alwarpet, Chennai - 600 014 for the approval of shareholders.	➢ To approve the issue of equity shares on Preferential Allotment basis.

(C) Special Resolution passed through Postal Ballot:

The Board sought the consent of shareholders of the company by way of special resolution through Postal Ballot as per the notice issued to the shareholders on 13.05.2019 for:

- To approve the issue of equity shares on Preferential Allotment Basis to CAC Holdings Corporation, Japan, Promoter.

The special resolution was passed by the shareholders of the company with requisite majority.

The result of the Postal Ballot is given below:

Particulars	No. of votes cast in favour	No. of votes cast Against
Item No.1 To approve the Issue of Equity Shares on Preferential Allotment Basis.	E-votes - 4,99,567	E-votes - 20
	Ballot votes - 59,818	Ballot votes - 3,406
	Total Votes - 5,59,385 99.39%	Total Votes - 3,426 0.61%

Person who conducted the Postal Ballot exercise:

Mr. M.Alagar, Practicing Company Secretary (Membership No. F7488 and CoP No. 8196) of M/s. M.Alagar & Associates, Practicing Company Secretaries, Chennai, was appointed to act as the scrutinizer for conducting postal ballot voting process including voting through electronic means in a fair and transparent manner.

Whether any Special Resolution is proposed to be conducted through Postal Ballot and procedure for the same:

If required, shall be conducted as per Law.

Procedure for Postal Ballot:

- The Postal Ballot Notice dated 9th May, 2019, together with Explanatory Statement, form and postage prepaid business reply envelopes was dispatched to all the shareholders
- The voting under the Postal Ballot was kept open from 14th May, 2019 (9:00 A.M. onwards) till 12th June, 2019 (upto 5:00 P.M.) (either physically or through electronic mode).
- The Scrutinizer submitted his report on the result of Postal Ballot on 13th June, 2019 and the result was announced by the authorised person of your company on the same date.

(D) Means of Communication.

The Company's website is a comprehensive reference on ISL's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on investors serves to inform the shareholders, by giving complete financial details, shareholding pattern, information relating to stock exchanges, list of shareholders who have not claimed their dividends to comply with MCA Guidelines. The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, annual report and the company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

Quarterly results in which newspaper normally published	Financial Express and Malai Sudar
Any website where displayed	Yes. It is published in the Company's website www.inspirisys.com under Investors Section

General Shareholder Information

(i) Annual General Meeting:

Date	Wednesday, 16th September, 2020
Time	03:00 PM
Mode	The Annual General Meeting will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office i.e. First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010, Tamil Nadu shall be deemed to be venue of themeeting.

(ii) Financial Year : April to March

Financial Calendar (Tentative)

Results for quarter ending 30th June, 2020	10th August, 2020
Results for quarter ending 30th September, 2020	Mid November, 2020
Results for quarter ending 31st December, 2020	Mid February, 2021
Results for year ending 31st March, 2021	End May, 2021

(iii) Book Closure

Date of Book Closure	Thursday, 10th September, 2020 to Wednesday, 16th September, 2020 (both days inclusive)

(iv) Listing on Stock Exchanges and Stock Code / Symbol

Name of Stock Exchanges	Stock Code / Symbol
The National Stock Exchange of India Limited. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	INSPIRISYS
The BSE Limited. Phiroze Jeejebhoy Towers, Dalal Street, Mumbai - 400 001.	532774
ISIN Number - INE020G01017	

The Annual Listing fees for the year 2020-2021 have been paid to the concerned Stock Exchanges.

(v) **Market price information**

a. **The reported high and low price during each month in last financial year on National Stock Exchange and BSE, are given below:**

Month	N S E		B S E	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2019	58.40	47.00	59.95	47.50
May 2019	54.50	44.00	55.40	42.55
June 2019	53.00	41.25	53.35	41.55
July 2019	49.00	36.00	54.95	36.65
August 2019	47.35	33.55	49.75	35.25
September 2019	53.60	39.95	55.00	38.50
October 2019	49.95	38.95	50.00	42.00
November 2019	50.05	36.00	48.50	36.05
December 2019	42.85	33.80	43.00	32.25
January 2020	44.00	32.25	43.50	35.75
February 2020	41.60	28.00	41.20	28.90
March 2020	32.45	16.45	32.00	17.60

b. **Performance in comparison to broad-based indices such as BSE Sensex and Nifty 100.**

(i) **ISL share price on BSE vis-à-vis BSE Sensex April - March 2020.**

Month	BSE Sensex Close	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month	Turnover (Lakhs)
April 2019	39,031.55	59.95	47.50	49.00	19,476	10.74
May 2019	39,714.20	55.40	42.55	53.95	15,490	7.51
June 2019	39,394.64	53.35	41.55	49.40	13,717	6.73
July 2019	37,481.12	54.95	36.65	37.20	7,035	3.03
August 2019	37,332.79	49.75	35.25	44.00	5,818	2.56
September 2019	38,667.33	55.00	38.50	45.75	12,323	5.88
October 2019	40,129.05	50.00	42.00	47.00	17,589	8.46
November 2019	40,793.81	48.50	36.05	37.75	13,131	5.54
December 2019	41,253.74	43.00	32.25	34.75	10,440	3.79
January 2020	40,723.49	43.50	35.75	37.25	16,958	6.61
February 2020	38,297.29	41.20	28.90	30.55	12,974	4.53
March 2020	29,468.49	32.00	17.60	20.50	52,870	11.46

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(ii) ISL share price on NSE vis-à-vis Nifty 100 Close price April - March 2020

Month	Nifty 100 Close	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month	Turnover (Lakhs)
April 2019	11,874.25	58.40	47.00	49.70	93,204	49.44
May 2019	12,028.25	54.50	44.00	50.55	1,18,930	58.81
June 2019	11,882.10	53.00	41.25	47.00	36,854	17.36
July 2019	11,221.20	49.00	36.00	36.90	72,469	30.94
August 2019	11,155.10	47.35	33.55	43.05	1,13,849	48.84
September 2019	11,613.30	53.60	39.95	45.70	97,533	46.12
October 2019	12,037.25	49.95	38.95	45.70	46,386	20.84
November 2019	12,182.60	50.05	36.00	39.15	1,22,524	50.60
December 2019	12,267.75	42.85	33.80	34.30	95,413	35.23
January 2020	12,086.90	44.00	32.25	37.20	1,82,395	71.51
February 2020	11,316.30	41.60	28.00	29.85	2,01,649	69.76
March 2020	8,731.15	32.45	16.45	20.30	1,77,279	40.06

(vi) Registrars and Share Transfer Agents.

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents:

M/s. Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083.
Tel: 022-49186270
Fax: 022-49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

(vii) Shareholding as on 31st March, 2020

(a) Distribution of shareholding as on 31st March, 2020

Shares - Range		Number of Share holders	% of Total Share holders	Total Shares for the Range	% of Issued Capital
From	To				
1	500	5,629	83.48%	6,55,184	1.65%
501	1,000	431	6.39%	3,60,114	0.91%
1,001	2,000	240	3.56%	3,78,621	0.96%
2,001	3,000	140	2.07%	3,61,274	0.91%
3,001	4,000	45	0.67%	1,56,636	0.40%
4,001	5,000	59	0.88%	2,76,727	0.70%
5,001	10,000	104	1.54%	7,48,526	1.88%
10,001 and above		95	1.41%	3,66,79,791	92.59%
Total		**6,743**	**100.00**	**3,96,16,873**	**100.00**

(b) Shareholding pattern as on 31st March, 2020

Category	No. of shares held	% to the total paid up capital
Promoters		
Foreign	2,77,12,125	69.95%
Non Promoters		
Financial Institution/Banks	29,890	0.08%
Other Bodies Corporate	51,00,940	12.87%
NRIs	3,27,197	0.83%
Clearing Member	18,584	0.05%
Hindu Undivided Family	3,36,801	0.85%
Public	60,44,521	15.26%
IEPF	46,815	0.12%

Capital of the Company

Authorized Capital	..	₹ 50,00,00,000
Paid-up Capital	..	₹ 39,61,68,730

(c) Top ten shareholders as on 31st March, 2020

Sl. No.	Category	Name of the Shareholder	No. of Shares held	% to the total paid up capital
1	Promoter	CAC Holdings Corporation	2,77,12,125	69.95%
2	Non-Promoter	Amicorp Trustees (India) Private Limited	44,64,279	11.26%
3	Non-Promoter	Praful Mehta Deepak Mehta	4,20,250	1.06%
4	Non-Promoter	Kanchan Dungershi Dedhia Ashok Dungershi Dedhia	3,01,802	0.76%
5	Non-Promoter	Ashwin Dungershi Dedhia	2,92,228	0.74%
6	Non-Promoter	Kanta Dungershi Dedhia	2,32,997	0.59%
7	Non-Promoter	Rahul Kayan	2,26,070	0.57%
8	Non-Promoter	Ravindrakumar Vinaykumar Ruia Akshay Ravindrakumar Ruia	1,58,040	0.40%
9	Non-Promoter	Vejbai Dungershi Dedhia	1,50,382	0.38%
10	Non-Promoter	Satish Gopalakrishna Pillai	1,16,202	0.29%

Dematerialization of shares and liquidity

99.90% of the equity shares have been dematerialized as on 31st March, 2020.

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions. Therefore, Company's shares can be traded only in dematerialized form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories. Equity shares are actively traded in NSE and BSE.

(viii) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

(ix) Plant locations

The Company has a manufacturing unit at Maduravoyal, Chennai.

(x) Address for correspondence

The Company Secretary
Inspirisys Solutions Limited
(Formerly Accel Frontline Limited)
First Floor, Dowlath Towers,
New Door Nos. 57, 59, 61 & 63,
Taylors Road, Kilpauk, Chennai - 600 010,
Tamil Nadu, India.
Tel: 044 - 4225 2071.

(xi) Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practising Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

9. Other Disclosures:

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

None of the transactions with any of the related parties were in conflict with the Company's interest.

(b) Details of non compliance by the listed entity, penalties and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

A fine was imposed for non-compliance of the Regulation 18(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to constitution of Audit Committee. Further to the resignation of Mr. Bin Cheng (Non-Executive & Non-Independent Director) w.e.f. 7th November, 2019 and the re-constitution of the Audit Committee, the composition of Audit Committee was in compliance with Regulation 18(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions and also the fine amount was paid to the stock exchanges.

(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

The Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics policy and provides safeguard against victimization of employees who avail the mechanism. During the year under review, no employee was denied access to the Audit Committee.

(d) Web link where policy for determining 'material' subsidiaries is disclosed.

The policy on Material Subsidiaries is disclosed in the Company's website www.inspirisys.com

(e) Web link where policy on dealing with related party transactions is disclosed;

The Policy on dealing with related party transactions is disclosed in the Company's website www. inspirisys.com

(f) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The company has issued 56,25,000 equity shares to CAC Holdings Corporation, Promoter on a preferential basis. The company has utilized the funds for business expansion and growth and for general corporate purposes including, but not limited to, bringing down the short term and long term borrowings of the Company and / or to invest in new business opportunities. The capital infusion has increased the net-worth of the Company on standalone basis and on a consolidated basis making the Company net-worth positive.

(g) A certificate from a company secretary in practice.

Mr. M.Alagar, Practicing Company Secretary of M/s. M.Alagar & Associates, Practicing Company Secretaries, Chennai, has issued a certificate as required under listing regulations, confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board Ministry of Corporate Affairs or any such statutory authority. This certificate is annexed hereto.

(h) Details of total fees paid to statutory auditors.

The company has paid ₹ 52.40 lakhs to the statutory auditors for all services received by the company, on a consolidated basis.

(i) Disclosure in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review complaints received by the ICC has been addressed and closed and there were no cases pending for disposal.

10. Non-compliance of any requirement of corporate governance report of sub paras (2) to (10) of Para C to Schedule V of the Listing Regulations.

The Company has complied with the requirements in this regard.

11. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

Particulars	Regulation Number	Compliance status (Yes/No/NA)	Compliance observed for the following
Board of Directors	17	Yes	• Board composition. • Meeting of Board of directors. • Quorum of board meeting • Review of Compliance Reports. • Plans for orderly succession for appointments. • Code of Conduct. • Fees/compensation. • Minimum Information to be placed before the Board. • Compliance Certificate. • Risk Assessment & Management. • Performance Evaluation of Independent Directors. • Recommendation of board • Maximum number of directorship
Audit Committee	18	Yes	• Composition. • Meeting of Audit Committee. • Powers of Audit Committee. • Role of Audit Committee and review of information by the committee.
Nomination & remuneration committee	19	Yes	• Composition. • Quorum • Meeting • Role of the committee.

Particulars	Regulation Number	Compliance status (Yes/No/NA)	Compliance observed for the following
Stakeholder Relationship Committee	20	Yes	• Composition. • Meeting. • Role of the committee.
Risk management Committee	21	Not Applicable	• It is applicable only to Top 500 listed entities and our company is not falling under this criteria.
Vigil Mechanism	22	Yes	• Formulation of Vigil Mechanism for Directors and employees. • Adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.
Related Party Transaction	23	Yes	• Policy on materiality of related party transactions and on dealing with related party transaction. • Prior or omnibus approval of Audit Committee for all related party transactions. • Disclosure of related party transactions on consolidated basis.
Corporate Governance requirements with respect to subsidiary of listed entity	24	Yes	• Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary. • Minutes of the meetings of the board of directors of the unlisted subsidiary is placed at the meeting of the board of directors of the Company.
Annual Secretarial Compliance Report	24(A)	Yes	• Annual Secretarial Compliance Report.
Obligations with respect to Independent Directors	25	Yes	• Alternate Director to Independent Director. • Maximum Directorship and tenure. • Meeting of Independent Directors. • Familiarization of Independent Directors. • Directors and Officers insurance.
Obligations with respect to Directors and Senior Management	26	Yes	• Memberships/Chairmanships in Committees. • Affirmation with Compliance with code of conduct from Directors and Senior Management. • Disclosure of Shareholding by Non-Executive Directors.
Other Corporate Governance requirements	27	Yes	• Compliance with Discretionary requirements. • Filing of quarterly compliance report on Corporate Governance.
Website	46(2)(b) to (i)	Yes	• Terms and conditions of appointment of independent directors. • Composition of various committees of board of directors. • Code of conduct of board of directors and senior management personnel. • Details of establishment of Vigil mechanism/ Whistle Blower policy. • Criteria of making payments to non-executive directors. • Policy on dealing with related party transactions. • Policy for determining 'material' subsidiaries. • Details of familiarization programmes imparted to independent directors.

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Certificate Under Regulation 17 (8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

To
The Board of Directors
Inspirisys Solutions Limited
First Floor, Dowlath Towers,
57, 59, 61 & 63, Taylors Road, Kilpauk
Chennai - 600 010.

We certify that we have reviewed the financial statements and the cash flow statement prepared based on Indian Accounting Standards for the year ended 31st March, 2020 and that to the best of our knowledge and belief:

(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) These statements together present a true and fair view of the Company's affairs and are in compliance with applicable Indian Accounting Standards, Laws and Regulations.

(3) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(4) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(5) We have indicated to the Auditors and the Audit Committee.

   (a) significant changes, if any, in internal control over financial reporting during the year;

   (b) significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and

   (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Mumbai / Chennai	**Malcolm F. Mehta**	**Murali Gopalakrishnan**
Date: 11th June, 2020	Chairman & Chief Executive Officer	Chief Financial Officer

Declaration signed by the Chairman & Chief Executive Officer stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management.

As provided under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members & Senior Management Personnel have affirmed compliance with Inspirisys Solutions Limited's Code of Conduct for the year ended 31st March, 2020.

Place: Mumbai	**Malcolm F. Mehta**
Date: 11th June, 2020	Chairman & Chief Executive Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Inspirisys Solutions Limited
(Formerly Accel Frontline Limited)
1st Floor, Dowlath Towers,
New Door Nos. 57, 59, 61 & 63,
Taylors Road, Kilpauk, Chennai - 600 010.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Inspirisys Solutions Limited** (Formerly known as Accel Frontline Limited) having CIN L30006TN1995PLC031736 and having registered office at 1st Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63 Taylors Road, Kilpauk, Chennai - 600010 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of the information received and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No	DIN/PAN	Name	Original Date of Appointment
1.	00169691	Raj Khalid	05/12/2014
2.	00193527	Rajesh Ramniklal Muni	06/05/2017
3.	00531608	Ruchi Naithani	11/09/2014
4.	02002827	Murari Swamimalai Jagan	07/02/2020
5.	03277490	Malcolm Farrokh Mehta	07/05/2014
6.	08486128	Koji Iketani	19/06/2019

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M. Alagar & Associates

M. Alagar
Managing Partner
Practising Company Secretary
UDIN: F007488B000558711
FCS No: 7488 / C P No.: 8196

Place: Chennai
Date: August 07, 2020

Independent Auditor's Certificate on Corporate Governance

To the Members of Inspirisys Solutions Limited (Formerly, "Accel Frontline Limited")

1. This certificate is issued in accordance with the terms of our engagement letter dated 04 November 2019.
2. We have examined the compliance of conditions of corporate governance by Inspirisys Solutions Limited (formerly, "Accel Frontline Limited")('the Company') for the year ended on 31 March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2020.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

9. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 20206931AAAACG3484

Place: Chennai

Date: 11th June 2020

Independent Auditor's Report

To the Members of Inspirisys Solutions Limited

(formerly known as Accel Frontline Limited)

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of Inspirisys Solutions Limited (formerly known as Accel Frontline Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are included the returns for the year ended on that date audited by the branch auditors of the Company's branch located at Singapore.

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 the branch auditors as referred to in paragraph 16 below, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As detailed in Note 7(c) to the standalone financial statements, the company has reported an amount of INR 3,080 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America., Inc (formerly Accel North America Inc) as at 31 March 2020 which are significantly over-due. 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 standing receivables under Ind AS 109, Financial Instruments. 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 2020, and the consequential impact thereof, if any, on the accompanying financial statements.

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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and that obtained by the branch auditors, in terms of their reports referred to in paragraph 16 of the Other Matter section below is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, and based on the consideration of the reports of the branch auditors as referred to paragraph 16 below, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. In addition to the matters described in the Basis for Qualified Opinion, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit matter	How our audit addressed the key audit matter
<u>**Recoverability assessment of trade receivables**</u> The Company has reported trade receivables of ₹ 13,881 lakhs as at 31 March 2020 and expected credit losses allowance of ₹ 1,659 lakhs as detailed in note 7 of the accompanying standalone financial statement. Due to customer profile, the Company has significant receivable balances that are past the credit period for the product as well as services operating segments. The management measures expected credit loss on its trade receivables using practical expedient as prescribed by Ind AS 109: 'Financial Instruments', which involves significant management judgements and estimates. Considering the materiality of trade receivables balances to the Company's financial statements and the multiple estimates and judgements involved in the estimation of expected credit losses, this matter is considered as a key audit matter for the current year audit.	Our audit procedures in relation to recoverability assessment of trade receivables included but were not limited to the following: • Obtained a detailed understanding of each operating segment's revenue recognition and receivables provisioning policies, design of controls and how they are being applied. • Tested the design and operating effectiveness of controls that the company has established in relation to revenue recognition. • On a sample basis, coupled with high value overdue invoices, we rolled out and obtained direct receivables confirmations from the customers of the company having outstanding receivable balances as at an interim date and at balance sheet date, for ensuring the acknowledgement of debt by the customer. • Where direct confirmations were not obtained, subsequent realization of the outstanding invoices and or customer acknowledgement of goods received, or services rendered was assessed to ensure the acknowledgement of debt by the customer.

Key Audit matter	How our audit addressed the key audit matter
	• The expected credit loss model was tested for appropriateness of past data and provisioning matrix used and reasons for other long outstanding balances were also obtained from the management. • We also considered payments received subsequent to year end, past payment history and unusual patterns to identify potentially impaired balances • In addition, for receivables from subsidiaries, we have evaluated the reasonableness of management's estimates of future cash flows of the subsidiaries and recoverability including performing sensitivity analysis on these cash flow estimates. • Ensured appropriateness and adequacy of disclosures made in the financial statements with respect to the trade receivables and provisioning thereof in accordance with applicable accounting standards.
<u>Inventory valuation - Service division</u> As detailed in note 13 of the accompanying standalone financial statements, Inventory net of provision amounting to ₹ 715lakhs as at 31 March 2020 comprise inventory net of provision pertaining to the services division amounts to ₹ 603 lakhs. The inventory is valued at lower of cost and market value using weighted average cost method. Services division inventory comprise refurbished spares and defective spares that are either converted to refurbished spares in due course or scrapped. Refurbished spares and defective spares are valued at fair value which is based on past history of purchases of similar spares from the open market, market conditions and past history of conversion respectively. Further, the company provides for obsolescence on the services division inventory based on the ageing of these inventory and the expected usage of these inventory in future periods. Since these involves significant management judgement and has an impact on the reported performance of the Company, this matter is considered as a key audit matter for current year audit.	Our audit work procedures in relation to valuation of service division inventory included but were not limited to the following: • Obtaining a detailed understanding and evaluating the design and operating effectiveness of controls that the company has established in relation to inventory valuation at its services division. • Tested the management assumptions relating to valuation of refurbished stock and comparing the values to prices of similar refurbished spares purchased from the market. • Testing the historical data pertaining to the conversion of defective stock to refurbished stock and/or scrapped to the estimation made by the management. • Critically assessed the Company's inventory provisioning policy, with specific consideration given to aged inventories. • Reviewed the historical accuracy of inventory provisions and level of write-offs during the year. • Compared the net realizable value, obtained by review of gross margins in services division subsequent to year-end. • Ensured appropriateness of the disclosures made in the financial statements in accordance with applicable accounting standards.
<u>Impairment assessment of Investments in Subsidiaries</u> As described in Note 6 and 30 to the accompanying standalone financial statements, as at 31 March 2020, the company has investments aggregating to ₹ 542 lakhs in its wholly own subsidiaries, Inspirisys Solutions North America Inc., (Formerly, Accel North America Inc., USA), Inspirisys Solutions Japan Kabushiki Kaisha (Formerly, Accel Japan Kabushiki Kaisha, Japan) and Network Programs(USA)Inc.,USA.And provided impairment loss amounting to ₹ 169 Lakhs for the year ended 31 March 2020. The management has noted impairment indicators due to the continued operating losses and negative net worth of the subsidiaries as at 31 March 2020. As detailed in note 6 management has estimated the recoverable value of the investment in subsidiaries.	Our audit procedures in relation to impairment assessment of investment in subsidiaries included but were not limited to the following: • Obtained an understanding of management's processes and controls for determining the valuation of investment; • Evaluated the design of and tested the operating effectiveness of the key controls around the valuation of investment; • Review of management's identification of indicators of impairment; • Assessed the methodology used by the management to estimate the recoverable value of investment in subsidiaries, for which an impairment test was performed, to ensure that this is consistent with the requirements of the accounting standards;

Key Audit matter	How our audit addressed the key audit matter
The recoverability of carrying value of investment in subsidiaries is considered an audit risk due to the involvement of significant estimates & judgements by the management in assessing the recoverable value of the investment. Due to the inherent uncertainty involved in forecasting and discounting future cash flows this is one of the key judgement areas for our audit and is therefore considered as a Key audit matter.	• Evaluated the subsidiary's budgeting procedures upon which the cash flow forecasts are based and reviewed historical accuracy of budgeting process; • Sensitivity analysis was performed on the key assumptions used in the valuation; • Evaluated the discount rate and growth rate used in the estimation of recoverable value; • Evaluated the appropriateness of recognition of impairment loss for the year ended 31 March 2020; • Ensured appropriateness and adequacy of the disclosures made in the financial statements for the impairment losses recognized in accordance with applicable accounting standards.
Evaluation of uncertainty over income tax treatments As described in Note 34 and 40 to the accompanying standalone financial statements, the Company has recorded liability of ₹ 18 lakhs related to uncertain tax treatments, created a current tax liability of ₹ 312 lakhs and disclosed an amount of ₹ 1,717 Lakhs relating to income tax exposures. The Company has tax matters relating to various years under dispute at various forums of tax authority. These matters involve material uncertainty over tax treatments which the management has evaluated in accordance with appendix C to Ind AS 12 - 'Income taxes'. This evaluation involves significant management judgement surrounding the probable tax treatment with respect to the tax positions to determine the uncertainty involved. The management has considered the uncertain tax treatment and made provision for most likely amount based on the possible outcomes. Considering the materiality of the amounts involved, complexity of tax laws, significant management judgement and high degree of estimation uncertainty, this matter required significant auditor judgement and attention and therefore, this matter considered as key audit matter for current year.	Our audit procedures in relation to evaluation of uncertainty over income tax treatments included but were not limited to the following: • Obtained an understanding of the management process for identification, recognition and measurement of uncertain tax treatments and tested the operating effectiveness of such controls. • Obtained the information of tax treatments including matters under dispute as at 31 March 2020. • Tested the completeness, accuracy and other information used for recognition and measurement of uncertain tax treatments by verifying the tax returns filed, correspondences with the tax authorities, management's assessment of technical evaluation of the positions and the management computations of effect of uncertain tax treatments. • Obtained independent direct confirmation from the management's legal counsel. • Involved an auditor's expert to test the management's underlying assumptions and judgements in estimating the most likely amount and the effect of uncertain tax treatments. • The auditor's expert also considered legal precedence and other rulings and legal opinions obtained by the management in evaluating the effect of uncertain tax treatments. • Evaluated the appropriateness and adequacy of disclosure made in standalone financial statement in accordance with applicable accounting standards.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibilities of Management and those Charged with Governance for the Standalone Financial Statements

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of the Company, of which we are the independent auditors. For the other branches included in the Statement, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. 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.

14. 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial statements of a branch included in the standalone financial statements of the Company whose financial information reflects total assets and net assets of INR ₹ 718 Lakhs and ₹ 589 Lakhs respectively as at 31 March 2020, and the total revenues of ₹ 1,080 Lakhs, total net profit after tax of ₹ 146 Lakhs, total comprehensive income of ₹ 146 Lakhs, and cash flows (net) of ₹ 314 Lakhs respectively for the year ended on that date, as considered in the standalone financial statements. These financial statements have been audited by the branch auditors whose reports have been furnished to us by the management, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

    Further, the branch is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by branch auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion on the standalone financial statements, in so far as it relates to the balances and affairs of such branches, is based on the report of branch auditors and the conversion adjustments prepared by the management of the Company and audited by us.

    Our opinion on the standalone financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the branch auditors.

Report on Other Legal and Regulatory Requirements

17. Based on our audit, and on the consideration of the reports of the branch auditors as referred to in paragraph 16 above, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

19. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, and on the consideration of the reports of the branch auditors as referred to in paragraph 16 above, we report, to the extent applicable, that:

a) we have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

b) except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

c) the report on the accounts of the branch office of the Company audited under section 143(8) of the Act by the branch auditor has been sent to us and have been properly dealt with by us in preparing this report;

d) the standalone financial statements dealt with by this report are in agreement with the books of account and with the return received from the branch not visited by us;

e) except for the possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;

g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section;

h) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 11 June 2020 as per Annexure B expressed a qualified opinion;

i) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors as referred to in paragraph 16 above:

i. the Company, as detailed in note 40 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 20206931AAAACC5257

Place: Chennai
Date: 11 June 2020

Annexure A to the Independent Auditor's Report of even date to the members of Inspirisys Solutions Limited (Formerly Accel Frontline Limited) on the standalone financial statements for the year ended 31 March 2020.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.

(b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;

(c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

₹ in Lakhs

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Kerala Value Added Tax Act, 2003	Tax	45	35	2007-08	Commissioner of Commercial Taxes
Kerala Value Added Tax Act, 2003	Tax and Penalty	237	-	2013-14,2014-15 and 2016-17	Deputy Commissioner (Appeals)
Jharkhand Value Added Tax, 2005	Penalty	1	-	2007-08	Joint Commissioner
Rajasthan Value Added Tax, 2003	Tax	4	-	2011-12	Assistant Commissioner
Telangana Value Added Tax Act, 2005	Tax	126	16	2015-16, 2016-17 and 2017-18	Deputy Commissioner Tax Officer
Uttar Pradesh Trade Tax Act, 1948	Tax	46	-	2010-11, 2011-12, 2012-13 and 2013-14	Deputy Commissioner
Uttar Pradesh Trade Tax Act, 1948	Tax	1	-	2002-03	Trade Tax Tribunal, Lucknow
West Bengal Sales Tax Act, 1994	Tax	1	-	2001-02	Commercial Tax Officer
West Bengal Sales Tax Act, 1994	Tax and Interest	2	-	2003-04 and 2004-05	Assistant Commissioner
West Bengal Sales Tax Act, 1994	Tax	13	2	2016-17	Senior Joint Commissioner
Income Tax Act, 1961	Income Tax	885	-	2005-06 and 2007-08	High Court, Chennai
Income Tax Act, 1961	Income Tax	433	-	2008-09	Commissioner of Income Tax- Appeals, Chennai
Income Tax Act, 1961	Income Tax	34	-	2009-10	High Court, Chennai
Income Tax Act, 1961	Income Tax	117	-	2010-11	High Court, Chennai
Income Tax Act, 1961	Income Tax	248	-	2012-13	Commissioner of Income Tax- Appeals, Chennai

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no borrowings obtained from government and the Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the company has made preferential allotment of shares. In respect of the same, in our opinion, the company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the company did not make private placement of shares or preferential allotment or private placement of fully or partly convertible debentures.

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Sumesh E S
Partner
Membership No.: 206931
UDIN:20206931AAAACC5257

Place: Chennai
Date: 11 June 2020

Annexure B to the Independent Auditor's Report of even date to the members of Inspirisys Solutions Limited (Formerly Accel Frontline Limited), on the standalone financial statements for the year ended 31 March 2020.

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Inspirisys Solutions Limited (formerly Accel Frontline Limited) ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Basis of Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2020:

   a) The Company's internal financial controls system with respect to provisioning for expected credit loss of receivables from affiliates as laid down under Indian Accounting Standard ('Ind AS') 109 'Financial instruments', were not operating effectively, which has resulted or could have potentially resulted in a material misstatement in the value of trade receivables from related parties, impairment losses and its consequential impact on corresponding earnings and reserves and surplus including applicable disclosures.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

9. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as of 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2020.

10. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2020, and this material weakness has affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements

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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 20206931AAAACC5257

Place: Chennai
Date: 11 June 2020

Standalone Balance Sheet as at 31 March 2020

₹ in Lakhs

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	549	479
Right-of-use assets	5	833	-
Goodwill	4	542	542
Other Intangible assets	4	183	313
Intangible assets under development	4	235	86
Financial assets			
- Investments	6	493	662
- Trade receivables	7	28	128
- Bank balances	8	833	966
- Other financial assets	9	582	468
Deferred tax assets (net)	10	-	-
Income tax assets (net)	11	5,409	4,618
Other non-current assets	12	586	470
		10,273	**8,732**
Current assets			
Inventories	13	715	1,000
Financial assets			
- Trade receivables	7	12,194	16,141
- Cash and cash equivalents	14	1,222	620
- Bank balances other than cash and cash equivalents	14	-	1
- Loans	15	244	210
- Other financial assets	9	337	443
Other current assets	12	3,259	2,970
		17,971	**21,385**
TOTAL ASSETS		**28,244**	**30,117**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	3,962	3,399
Other equity	17	3,271	87
Total equity		**7,233**	**3,486**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	4,544	4,133
- Lease liabilities	19	599	-
Provisions	20	566	611
		5,709	**4,744**
Current liabilities			
Financial liabilities			
- Borrowings	18	5,713	11,265
- Lease liabilities	19	294	-
- Trade payables	21		
Total outstanding dues of micro and small enterprises		49	4
Total outstanding dues of creditors other than micro and small enterprises		4,935	5,399
- Other financial liabilities	22	1,882	2,155
Other current liabilities	23	2,340	2,876
Provisions	20	89	188
		15,302	**21,887**
TOTAL LIABILITIES		**21,011**	**26,631**
Total equity and liabilities		**28,244**	**30,117**

Notes 1 to 43 form an integral part of these standalone financial statements

This is the balance sheet referred to in our report of even date

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 11 June 2020

For and on behalf of the Board of Directors of
Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited")

Malcolm F. Mehta
Chairman & Chief Executive Officer
DIN: 03277490

Rajesh Ramniklal Muni
Director
DIN: 00193527

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai / Mumbai
Date : 11 June 2020

Statement of Standalone Profit and Loss for the year ended 31 March 2020

₹ in Lakhs

Particulars	Note No.	For the Year ended 31 March 2020	For the Year ended 31 March 2019
REVENUE			
Revenue from operations	24	34,520	44,449
Other income	25	883	813
Total Revenue		**35,403**	**45,262**
EXPENSES			
Cost of raw materials consumed	26	225	145
Purchases of stock-in-trade and stores and spares	27	13,138	22,102
Changes in inventories of stock in trade and stores and spares	28	288	310
Employee benefits expense	29	8,481	8,746
Impairment losses	30	619	1,628
Other expenses	31	9,663	9,711
Total expenses		**32,414**	**42,642**
Earnings before finance cost, depreciation and amortization		**2,989**	**2,620**
Finance costs	32	1,256	1,652
Depreciation and amortization expense	33	764	450
Profit before tax		**969**	**518**
Tax expense			
Current tax	34	312	335
Deferred tax	10	-	-
		312	335
Profit for the year		**657**	**183**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement gains on defined benefit plans		64	33
- Income tax relating to items that will not be reclassified to profit and loss		(11)	(7)
Other comprehensive income for the year, net of tax		**53**	**26**
Total comprehensive income for the year		**710**	**209**
Earnings per equity share			
Basic and diluted (in ₹)	35	1.72	0.61

Notes 1 to 43 form an integral part of these standalone financial statements

This is the profit and loss account referred to in our report of even date

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 11 June 2020

For and on behalf of the Board of Directors of

Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited")

Malcolm F. Mehta
Chairman & Chief Executive Officer
DIN: 03277490

Rajesh Ramniklal Muni
Director
DIN: 00193527

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai / Mumbai
Date : 11 June 2020

Standalone Cash Flow Statement for the year ended 31 March 2020

₹ in Lakhs

	Year ended 31 March 2020	Year ended 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**969**	**518**
Adjustments for		
Depreciation and amortization expense	764	450
Interest expense (including changes in financial instruments)	1,112	1,479
Interest Income	(128)	(184)
Impairment losses	619	1,628
Provision for inventory obsolescence	226	289
Provision for gratuity and compensated absences	(8)	(56)
Net unrealised foreign exchange loss / (gain)	(15)	136
Reversal of provision for warranty	(72)	(5)
Bad debts recovered	(79)	-
Liabilities no longer required written back	(418)	(556)
Interest on income tax refund	(35)	-
Profit on sale of property, plant and equipment	(2)	(13)
Operating profit before working capital changes	**2,933**	**3,686**
Decrease / (Increase) in inventories	59	(9)
Decrease / (Increase) in trade receivables	4,031	(3,708)
Decrease / (Increase) in other financial assets	42	(18)
(Increase) / Decrease in other non-current assets	(116)	41
(Increase) in other current assets	(289)	(548)
(Decrease) / Increase in trade payables	(421)	619
Increase in other financial liabilities	133	154
(Decrease) / Increase in other current liabilities	(538)	933
Cash generated from operating activities	**5,834**	**1,150**
Direct taxes paid, net	(1,096)	(238)
Net cash generated from in operating activities	**4,738**	**912**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress)	(480)	(172)
Proceeds from sale of property, plant and equipment and intangible assets	2	13
Interest received	60	102
Loans to related parties	(6)	(104)
Net movement in bank deposits	133	344
Net cash (used in) / generated from investing activities	**(291)**	**183**
C. Cash flow from financing activities		
Proceeds from long term borrowings (net) (Also refer note 18(e))	60	17
Repayment of short term borrowings (net) (Also refer note 18(e))	(5,556)	(2,173)
Proceeds from issue of equity shares	3,055	2,629
Transfer to Investor Education and Protection Fund	(1)	-
Payment of lease liabilities (including interest)	(405)	-
Interest paid	(1,015)	(1,471)
Net cash (used) in financing activities	**(3,862)**	**(998)**
D. Net change in cash and cash equivalents	585	97
E. Cash and cash equivalents at the beginning	620	528
Effects of foreign currency translation	17	(5)
F. Cash and cash equivalents at the end	**1,222**	**620**
Cash and cash equivalents include		
Cash on hand	6	6
Balances with banks in current accounts	1,216	614
Cash and cash equivalents as per note 14	**1,222**	**620**

Notes 1 to 43 form an integral part of these standalone financial statements

This is the cash flow referred to in our report of even date

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 11 June 2020

For and on behalf of the Board of Directors of

Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited")

Malcolm F. Mehta
Chairman & Chief Executive Officer
DIN: 03277490

Rajesh Ramniklal Muni
Director
DIN: 00193527

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai / Mumbai
Date : 11 June 2020

Statement of Changes in Standalone Equity for the year ended 31 March 2020

₹ in Lakhs

Particulars	Equity share capital	Other Equity			Other reserves	Total
		General reserve	Retained Earnings	Securities Premium	Accumulated other comprehensive	
Balances as at 01 April 2018	2,976	859	(9,888)	6,857	(156)	648
Profit for the year	-	-	183	-	-	183
Other comprehensive income	-	-	-	-	26	26
Total comprehensive income for the year	**-**	**-**	**183**	**-**	**26**	**209**
Transactions with owners in their capacity as owners:						
Shares issued during the year	423	-	-	-	-	423
Securities Premium on equity shares issued	-	-	-	2,206	-	2,206
Balances as at 31 March 2019	**3,399**	**859**	**(9,705)**	**9,063**	**(130)**	**3,486**
Balances as at 01 April 2019	**3,399**	**859**	**(9,705)**	**9,063**	**(130)**	**3,486**
Transitional impact on adoption of :						
Appendix C to Ind AS 12 (refer note no 34)			(18)			(18)
Restated Balances as at 01 April 2019	3,399	859	(9,723)	9,063	(130)	**3,468**
Profit for the year	-	-	657	-	-	**657**
Other comprehensive income	-	-	-	-	53	**53**
Total comprehensive income for the year	**-**	**-**	657	-	53	**710**
Transactions with owners in their capacity as owners :						
Shares issued during the year	563	-	-	-	-	563
Securities Premium on equity shares issued	-	-	-	2,492	-	2,492
Balances as at 31 March 2020	3,962	859	(9,066)	11,555	(77)	**7,233**

Notes 1 to 43 form an integral part of these standalone financial statements

This is the statement of changes in equity referred to in our report of even date

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 11 June 2020

For and on behalf of the Board of Directors of

Inspirisys Solutions Limited (formerly known as “Accel Frontline Limited”)

Malcolm F. Mehta
Chairman & Chief Executive Officer
DIN: 03277490

Rajesh Ramniklal Muni
Director
DIN: 00193527

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai / Mumbai
Date : 11 June 2020

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020

1 Background

Inspirisys Solutions Limited (formerly known as “Accel Frontline Limited”) (“Inspirisys” or the Company) was incorporated on 8 June 1995 and is listed on the National Stock Exchange of India (‘NSE’) and Bombay Stock Exchange Limited (‘BSE’). The Company’s principal lines of business is IT services which includes, providing system integration solutions comprising network design, hardware and software, IT infrastructure management solutions, warranty management solutions for imported and indigenous equipment, software development, implementation and maintenance of software applications. The Registered office of the Company is located at First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010, Tamil Nadu, India.

2 Summary of significant accounting policies

a) Basis of preparation and presentation of standalone financial statements

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (“the Act”) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments rules issued thereafter.

The financial statements of the Company are prepared in Indian Rupee (₹), which is also the functional currency of the Company. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

New and amended standards adopted by the company

The Company has applied the following standards and amendments for the fist time for the annual reporting period commencing 01 April 2019:

Ind AS 116, Leases

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17 (Also, refer note 5 and 19).

Ind AS 12, Income taxes

Appendix C, Uncertainty over Income Tax Treatments: On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates (Also, refer note 34).

The above standards or amendments did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management estimates and judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and Investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

Recognition of deferred tax assets and income tax treatments

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Capitalisation of internally developed intangible assets

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there any indicators that capitalised costs may be impaired.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortizable assets

Management reviews its estimate of the useful lives of depreciable / amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Inventory

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2(r) financial instruments.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

d) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready or substantially ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains/ losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell. Repairs and Maintenance costs are recognized in the Statement of Profit and Loss when incurred.

Property, plant and equipment are depreciated using straight line method over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

Particulars	Useful life (years)
Computer hardware	6
Furniture and fittings	10
Office equipment	5
Plant and machinery	15
Leasehold improvements	Over primary Lease term
Vehicles- Motor bikes	5
Vehicles- Motor cars	5

Based on evaluation, the Management believes that the useful lives as given above represent the period over which the Management expects to use these assets. Hence, the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

e) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development. Intangible assets are amortized on a straight line basis over the estimated useful economic life. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Goodwill of the Company is not amortised since the same has a infinite useful life.

A summary of useful life's considered for the intangible assets is as below:

Particulars	Useful life
Software	7 years
Goodwill	Infinite
Techincal know-how	10 years

f) Impairment of property, plant and equipment and intangible assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Intangible assets that have an indefinite useful life, not subject to amortisation and Intangible assets under development are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

g) Revenue recognition

The Company earns revenue primarily from Information Technology (IT) services which includes, providing system integration solutions comprising network design, hardware and software, IT Infrastructure management solutions, warranty management solutions for imported and indigenous equipment and development, implementation and maintenance of software applications.

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process:

1 Identifying the contract with customer

2 Identifying the performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Recognising revenue when/as performance obligation(s) are satisfied.

"A performance obligation is satisfied over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced ; or (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date"

Revenue from subsidiaries is recognised based on transaction price which is at arm's length. Invoicing in excess of revenues are classified as contract liabilities (which we refer to as "unearned revenue").

The Company disaggregates revenue from contracts with customers by nature of offerings (sales and services).

<u>System Integration (Products / Hardware)</u>

System Integration (Products / Hardware) System Integration division carries out sale of servers, IT and Network related products and software across India based on contracts with the customers. System Integration division also offers a wide range of Multi-function kiosks (MFK), Ticketing Kiosks, and Queue Management Systems.

• Revenue from the sale of distinct manufactured systems and third party supply is recognised when control of the product is transferred to the customer, being the point of time when the product / software is delivered and acknowledged by the customer. In cases where installation services are rendered, the sale and installation service is considered as multiple performance obligations and revenue is recognised separately as and when the delivery and the installation service is performed.

<u>Services (Infra / Security / Cloud / Software)</u>

Services (Infra, Security, Cloud and Software) division provides maintenance services of hardware, software and other network related parts and also outsources certain maintenance contracts to the other service providers. Services division also carries out software development services to its subsidiary in USA, UAE and external customers and the same are provided to the customers based on contracts.

• Under fixed price maintenance and support services, the performance obligations relating to the service are satisfied over a period of time and the revenue is recognised on a straight line basis over the period of contract, net of expected liquidated damages or deductions.

• Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Warranty Management services (WMS)

Warranty Management Services division is a vendor agnostic, full-service, warranty management service provider in the field of IT, Telecom, Security surveillance, Home Automation and other areas.

• Revenue from contracts is recognised as the service transactions are performed and acknowledgement by the customer.

h) Other income

Other income is comprised primarily of interest income, dividend income, gain/loss on investments, exchange gain/loss on translation of assets and liabilities.

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

i) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average basis and includes expenditure incurred in the normal course of business in bringing inventories to its location and condition, where applicable. Inventories are written down for obsolete/slow moving/non moving items wherever necessary.

j) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature. The costs of the Company are broadly categorised in employee benefit expenses, finance cost, depreciation and amortisation expense and other expenses. Employee benefit expenses include salaries, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Other expenses mainly include fees to professional and consultants, rent, outsourcing costs, travel expenses, communication expenses, freight expenses and other miscellaneous expenses. Other miscellaneous expenses is an aggregation of costs which are individually not material such as repairs and maintenance, electricity charges and advertisement and brokerage, etc.

k) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

(i) Provident fund

This is a defined contribution plan where contributions are remitted to provident fund authorities in accordance with the relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions.

Defined benefit plan

(i) Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

(ii) Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of non vesting benefit. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

l) Leases

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months and low value lease. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

d) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Under Ind AS 17

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

m) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹) (rounded off to nearest lakhs).

Transactions and translations

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance sheet date. The gains or losses resulting from such transactions are included in net profit in the Statement of Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rates prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rates prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency translations are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant. Also retrospective application of the amendment is not permitted.

n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

o) Investments in subsidiaries

The Company's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

p) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

q) <u>Provisions and contingencies</u>

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

r) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets (other than trade receivables) are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through statement of profit and loss which are measured initially at fair value. Subsequent measurement of financial assets is described below. Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a. Amortized cost

b. Fair Value Through Other Comprehensive Income (FVTOCI) or

c. Fair Value Through Profit or Loss (FVTPL).

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(i) Financial asset at amortised cost

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by instrument (i.e.., share - by - share) basis. If the Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in the statement of profit and loss.

De recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's standalone balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability at fair value through profit and loss.

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

s) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model and specific identification method based on the credit risk for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables.

Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

t) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

v) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks and on hand which are unrestricted for withdrawal and usage. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified the following as reportable segments: a) System integration (SI) solutions comprising supply, installation, commissioning of network design, hardware, software and related services, b) Services (Infra, Security, Cloud & Software), c) Warranty management services (WMS). Per Para 4 of Ind AS 108 Operating Segments, when entity's financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Hence segment information is disclosed as part of consolidated financial statements for the year ended 31 March 2020.

x) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

y) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future operating cash receipt or payments, and items of income or expenses associated with investing or financing cash flows. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable.

z) Transfer Pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the financial year ended 31 March 2020 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

3 Recent accounting pronouncements

On 30 March 2019, Ministry of Corporate Affairs Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

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Notes forming part of Standalone Financial Statements for the year ended 31 March 2020

4 Property, plant and equipment and Intangible assets

₹ in Lakhs

Particulars	PROPERTY, PLANT AND EQUIPMENT							INTANGIBLE ASSETS		
	Leasehold improve-ments	Plant and machinery	Furniture and electrical fittings	Office equipment	Computers	Vehicles	Total	Goodwill	Other intangible assets	Under development
Gross block										
Balance as at 1 April 2018	**273**	**125**	**75**	**46**	**565**	**60**	**1,144**	**864**	**1,038**	**41**
Additions	11	-	2	16	74	24	127	-	-	45
Deletions	-	-	-	-	-	(43)	(43)	-	-	-
Balance as at 31 March 2019	**284**	**125**	**77**	**62**	**639**	**41**	**1,228**	**864**	**1,038**	**86**
Additions	44	3	-	5	150	103	305	-	26	149
Deletions	-	-	-	-	-	(10)	(10)	-	-	-
Balance as at 31 March 2020	**328**	**128**	**77**	**67**	**789**	**134**	**1,523**	**864**	**1,064**	**235**
Accumulated depreciation/amortization										
Balance as at 31 March 2018	**75**	**35**	**26**	**27**	**329**	**36**	**528**	**322**	**539**	**-**
Charge for the year	72	16	11	12	122	31	264	-	186	-
Reversal on deletions	-	-	-	-	-	(43)	(43)	-	-	-
Balance as at 31 March 2019	**147**	**51**	**37**	**39**	**451**	**24**	**749**	**322**	**725**	**-**
Charge for the year	58	11	12	13	121	20	235	-	156	-
Reversal on deletions	-	-	-	-	-	(10)	(10)	-	-	-
Balance as at 31 March 2020	**205**	**62**	**49**	**52**	**572**	**34**	**974**	**322**	**881**	**-**
Net Block										
Balance as at 31 March 2019	**137**	**74**	**40**	**23**	**188**	**17**	**479**	**542**	**313**	**86**
Balance as at 31 March 2020	**123**	**66**	**28**	**15**	**217**	**100**	**549**	**542**	**183**	**235**

a) Property, plant and equipment pledged as security

The following assets are purchased under finance lease and are secured against the asset purchased (Also refer note 18(a)).

₹ in Lakhs

Particulars	31 March 2020		31 March 2019	
	Gross block	Net block	Gross block	Net block
Vehicles	134	100	24	17
Total	**134**	**100**	**24**	**17**

b) Intangibles under development

Intangibles under development represents the banking software being developed which will be used to earn licensing income.

c) Goodwill

The goodwill arose on account of purchase of a specific software business included in the services division (Cash Generating Unit - CGU). The useful life of the goodwill is estimated to be indefinite since the economic benefit to be derived from the asset cannot be restricted to definite period. As required by Ind AS, the Company has performed impairment test on a yearly basis using the value in use method. The calculations use cash flow projections based on the financial budgets approved by the management covering a three year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the CGU operates Following is the key assumptions used by the management to calculate the value in use. The recoverable value of the CGU is more than the carrying value as at 31 March 2020 of CGU, accordingly there is no impairment provision made during the year.

	31 March 2020
Sales growth rate (%)	10-14
Long term growth rate (%)	2
Budgeted EBIDTA (%)	24-26
Budgeted EBIT (%)	22-24
Pre-tax discount rate (%)	18.97

Management has determined the values assigned to each of the above key assumptions as follows

Assumptions	Approach used to determine values
Sales growth rate	Average annual growth rate over the three year-year period forecast which is based on past performance and management's expectations of market development
Budgeted EBITDA	Based on past performance and management's expectations for the future
Budgeted EBIT	Based on past performance and management's expectations for the future
Long term growth rate	This is the weighted average growth rate used to extrapolate the cash flows beyond the budget period. The rates are consistent with the forecasts included in industry reports
Pre-tax discount rate	Reflects specific risks relating to the business and the country in which they operate

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020

₹ in Lakhs

	Particulars	Number	Face value	As at 31 March 2020
5	**Right-of-use assets**			
	Balance as at 1 April 2019			1,114
	Additions			85
	Deletion			-
	Depreciation of right of use assets (Also, refer note 33)			(373)
	Exchange gain			7
	Balance as at 31 March 2020			**833**

	Particulars	Number	Face value	As at 31 March 2020	As at 31 March 2019
6	**Investments**				
	Non - current investments				
i)	**Investment carried at cost**				
	Investment in equity instruments in subsidiaries (fully paid-up) (Unquoted)				
	Inspirisys Solutions DMCC, Dubai (Formerly, Accel Frontline DMCC, Dubai)	300	AED 1000	120	120
	Inspirisys Solutions Japan Kabushiki Kaisha (Formerly, Accel Japan Kabushiki Kaisha, Japan)	374	JPY 50,000	118	118
	(Formerly, Accel Japan Kabushiki Kaisha, Japan) Network Programs (USA) Inc., USA	1,000	USD 1	51	51
	Inspirisys Solutions North America Inc., (Formerly, Accel North America Inc., USA)	655,000	USD 1	373	373
	Inspirisys Solutions IT Resources Limited (Formerly, Accel IT Resources Limited, India)	3,000,000	₹ 10	790	790
	Inspirisys Solutions Europe Limited, UK (Formerly, Accel Technologies Ltd, UK)	19,500	GBP 1	17	17
				1,469	**1,469**
	Less: Impairment in the value of investment (Refer Note 30)			(976)	(807)
			Total (a)	**493**	**662**
ii)	**Investments carried at fair value through profit and loss**				
	Investments in equity investmemnts of other companies (fully paid-up) (Unquoted)				
	Telesis Global Solutions Limited, India	96,374	₹ 10	30	30
	Less: Impairment in the value of investment			(30)	(30)
			Total (b)	-	-
	Total Non - current investments		**Total (a) +(b)**	**493**	**662**
	Aggregate amount of unquoted investments			1,499	1,499
	Aggregate amount of impairment in value of investments			(1,006)	(837)
	Extent of investment in subsidiaries				
	Inspirisys Solutions DMCC, Dubai (Formerly, Accel Frontline DMCC, Dubai)			100%	100%
	Inspirisys Solutions Japan Kabushiki Kaisha (Formerly, Accel Japan Kabushiki Kaisha, Japan)			100%	100%
	Network Programs (USA) Inc., USA			100%	100%
	Inspirisys Solutions North America Inc., (Formerly, Accel North America Inc., USA)			100%	100%
	Inspirisys Solutions IT Resources Limited (Formerly, Accel IT Resources Limited, India)			100%	100%
	Inspirisys Solutions Europe Limited, UK (Formerly, Accel Technologies Ltd, UK)			100%	100%

a) The subsidiaries have reported continuous losses in the past, the Company assessed these factors to be indicators that the carrying value of non-current investments in the subsidiaries may be impaired. Accordingly, in line with the Company's accounting policy, the recoverable amount of such investments in Inspirisys Solutions DMCC, Dubai (Formerly, Accel Frontline DMCC, Dubai) and Inspirisys Solutions North America Inc., (Formerly, Accel North America Inc., USA) was determined by an independent valuation expert. The recoverable amount (value in use) of these subsidiaries was determined to be higher than the carrying value of relevant investments in the standalone financial statements. For determining the said value in use, the discount rate used by the Company ranges from 10%-13% for different subsidiaries based on economic factors of the country in which the subsidiary operates.

b) The recoverable amount of investments in subsidiaries, other those mentioned in paragraph (a) above and note 30(a), were assessed by the management internally and it was observed that the estimated service potential of these investments have not increased materially. Hence, the impairment of these investments were not reversed during the current year.

7	Trade receivables	As at 31 March 2020		As at 31 March 2019	
		Non-current	Current	Non-current	Current
	a) Considered good, unsecured	28	13,653	128	16,141
	b) Receivables - credit impaired	-	200	-	1,437
		28	**13,853**	**128**	**17,578**
	Allowances for expected credit loss				
	Alllowance for credit loss	-	(1,459)	-	(1,437)
	Alllowance for credit loss - credit impaired	-	200	-	-
		28	**12,194**	**128**	**16,141**

a) Trade receivables include due from related parties amounting to ₹ 3,327 lakhs (31 March 2019: ₹ 2,898 lakhs). The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

b) All of the Company's trade receivables have been reviewed for indicators of impairment. The Company has impaired its trade receivables using a provisioning matrix representing expected credit losses based on a range of outcomes. During the year, the Company had (utilised)/ provided an amount of (₹ 222 lakhs) and ₹ 444 Lakhs (previous year (₹ 192 lakhs) and ₹ 46 Lakhs) from the impairment loss provision. (Also refer note 30).

c) The Company has a trade receivable of ₹ 3,080 Lakhs as on March 31, 2020 from one of its subsidiary Company Inspirisys Solutions North America, Inc (ISNA). The balance reflects accumulation of receivables since 2016-17. ISNA Inc the wholly owned subsidiary of Inspirisys Solutions Ltd (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 and are hopeful of collecting the dues from the company.

d) Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management. Outstanding customer receivables are regularly monitored by the management to ensure the risk of credit loss is minimal. Credit quality of a customer is assessed based on historical information in relation to pattern of collections, defaults and credit worthiness of the customer.

Movement of expected credit loss	As at 31 March 2020	As at 31 March 2019
Balance at beginning of the year	1,437	1,583
Additions during the year, net (Also refer note 30)	444	46
Utilised during the year	(222)	(192)
Balance at end of the year	**1,659**	**1,437**

	Particulars	As at 31 March 2020	As at 31 March 2019
8	**Bank balances**		
	Balances with bank held as margin money	833	966
		833	**966**

Non-current bank balances represents, interest bearing deposits with bank with more than 12 months maturities. These margin money deposits are given as lien to obtain bank guarantee. These bank guarantee are issued to customers as collateral for execution of contracts.

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020

₹ in Lakhs

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
9 Other financial assets				
(Unsecured, considered good unless otherwise stated)				
Security deposits	295	-	237	-
Rental deposits	287	190	231	180
Other receivables	-	131	-	253
Other advances				
- Considered good	-	16	-	10
- Considered doubtful	-	-	-	31
	582	337	468	474
Less: Allowance for credit loss	-	-	-	(31)
	582	**337**	**468**	**443**

Particulars	As at 31 March 2020	As at 31 March 2019
10 Deferred tax asset (net)*		
The breakup of net deferred tax asset is as follows:		
Deferred tax liability arising on account of :		
- Timing difference between Depreciation / amortization as per financials and depreciation as per tax	(85)	(121)
	(85)	**(121)**
Deferred tax asset arising on account of :		
- Provision for employee benefits	337	288
- Allowances for expected credit loss	483	448
- Provision for inventory	121	146
- Impairment in value of investments	284	168
- Unabsorbed Depreciation and business loss	3,198	2,746
- Minimum alternative tax credit available	647	335
- Others	10	32
	5,080	**4,163**
Net deferred tax assets*	-	-

*The Company has not recognised deferred tax asset as it is not probable that the taxable profit will be available for utilizing the unused tax losses and temporary differences. The Company has neither recognised deferred tax expense nor income in the statement of profit and loss and other comprehensive income for the year ended 31 March 2020 and 31 March 2019 and consequently reconciliation for the same is not disclosed. the same is not disclosed.

Particulars	As at 31 March 2020	As at 31 March 2019
11 Income tax assets (net)		
Advance Tax (net of provision for tax) (Also, refer note 34)	5,409	4,618
	5,409	**4,618**

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
12 Other assets				
Unbilled revenue	-	973	-	878
Balances with government authorities	347	178	344	128
Prepaid expenses	239	1,959	126	1,879
Other advances	-	17	-	19
Supplier advances	-	132	-	66
	586	**3,259**	**470**	**2,970**

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020

₹ in Lakhs

	Particulars		As at 31 March 2020	As at 31 March 2019
13	**Inventories**			
	Raw materials		101	74
	Finished goods*		67	168
	Stores and spares*		962	1,225
	Less: Provision for inventory obsolescence		(415)	(467)
			715	**1,000**
	** Includes goods in transit of ₹ 32 lakhs (previous year ₹ 17 lakhs)*			
14	**Cash and bank balances**			
	Cash and cash equivalents			
	Cash on hand		6	6
	Balances with banks - current accounts		1,216	614
		(A)	**1,222**	**620**
	Bank balances other than mentioned in cash and cash equivalents			
	Unpaid dividend account		-	1
		(B)	**-**	**1**
		Total (A+B)	**1,222**	**621**
15	**Loans**			
	Loans and advances to related parties			
	Loans Receivables considered good - unsecured;		244	210
	Loans Receivables - credit impaired		60	54
			304	264
	Less: Allowance for credit loss		(60)	(54)
			244	**210**

	Particulars	As at 31 March 2020		As at 31 March 2019	
		Nos.	**Amount**	**Nos.**	**Amount**
16	**Equity Share Capital**				
	Authorized				
	Equity shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
	Issued, subscribed and fully paid up				
	Equity shares of ₹ 10 each	39,616,873	3,962	33,991,873	3,399
		39,616,873	**3,962**	**33,991,873**	**3,399**
a)	**Reconciliation of number of shares**				
	Equity shares				
	Opening balance	33,991,873	3,399	29,761,873	2,976
	Issued during the year	5,625,000	563	4,230,000	423
	Closing Balance	**39,616,873**	**3,962**	**33,991,873**	**3,399**
b)	**Shares held by the holding company**				
	Equity shares of ₹ 10 each				
	CAC Holdings Corporation	27,712,125	2,771	22,087,125	2,209

₹ in Lakhs

Particulars	As at 31 March 2020 Nos.	% holding	As at 31 March 2019 Nos.	% holding
c) Shareholders holding more than 5% of the aggregate shares in the Company				
Equity shares of ₹ 10 each				
CAC Holdings Corporation, Holding company	27,712,125	70%	22,087,125	65%
Amicorp Trustees (India) Private Limited (Also, refer note (g) below)	4,464,279	11%	4,464,279	13%

d) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their share holding.

e) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years immediately preceding 31 March 2020.

f) Pursuant to the shareholder's resolution dated 19 June 2019, the Company has made further issue of 5,625,000 equity shares of ₹ 10 each to CAC Holdings Corporation, Tokyo, Japan at a premium of ₹ 44.30 per share.

g) In terms of the Settlement Agreement and Release dated March 15, 2017 entered into between Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited") ('the Company'), CAC Holdings Corporation, Japan (the current promoter) and Accel Limited, Mr. N R Panicker and Accel Systems Group Inc, (the erstwhile promoter group of Accel Frontline Limited) 44,64,279 shares (representing 11% (previous year: 13%) of the shareholding of the company) held by the erstwhile promoter group was transferred by such erstwhile promoter group to a Trust between 21st July 2017 and 25th August 2017. The Company does not control this trust including the decisions relating to dealing with these shares. However, the Company is the end beneficiary only of the consideration if and when the shares are sold by the trustees.

h) Capital management policies and procedures

The Company's capital management objectives are:

- to safeguard the Company's ability to continue as a going concern, and continue to provide optimum returns to the shareholders and all other stakeholders by building a strong capital base.
- to maintain an optimum capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders plus its borrowings and cash credit facility, if any, less cash and cash equivalents as presented on the face of the balance sheet. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Company for the reporting years are summarized as follows:

Particulars		As at 31 March 2020	As at 31 March 2019
Borrowings		10,274	15,402
Cash and bank balances		(2,055)	(1,587)
Net debt	**(A)**	**8,219**	**13,815**
Total equity	**(B)**	**7,233**	**3,486**
Overall financing	**(A+B)**	**15,452**	**16,134**
Gearing ratio		**53%**	**86%**

17 Other Equity

Securities premium		
Balance at the beginning of the year	9,063	6,857
Additions made during the year	2,492	2,206
Balance at the end of the year	**11,555**	**9,063**

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
General reserve	859	859
Retained earnings		
Balance at the beginning of the year	(9,705)	(9,888)
Less: Impact on adoption of "Appendix C" to Ind AS 12(Also refer note 34)	(18)	-
Add : Transferred from statement of profit and loss	657	183
Balance at the end of the year	**(9,066)**	**(9,705)**
Accumulated other comprehensive income		
Balance at the beginning of the year	(130)	(156)
Add : Transfer from other comprehensive income	53	26
Balance at the end of the year	**(77)**	**(130)**
Total Other equity	**3,271**	**87**

a) **Securities premium reserve**
Securities premium reserve comprises of the amount of share issue price received over and above the face value of ₹ 10 each.

b) **General reserve**
General reserve represents an appropriation of profits by the Company.

c) **Accumulated other comprehensive income**
Represents remeasurement of defined benefit liability which comprises of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability.

d) **Retained earnings**
Retained earnings represents the amounts of accumulated earnings of the Company.

Particulars		As at 31 March 2020		As at 31 March 2019	
		Non-current	Current	Non-current	Current
18 Borrowings					
(i) Secured					
From Banks					
Finance lease obligations (Also, refer note (a) below)		63	17	19	4
Letter of credit		-	-	-	2,956
	A	63	17	19	2,960
Less: Current maturities of long-term borrowings (Also, refer note 22)	**B**	-	(17)	-	(4)
	C (A-B)	**63**	**-**	**19**	**2,956**
(ii) Unsecured					
Loans repayable on demand					
From Banks					
Cash credit		-	-	-	2,270
Other borrowings					
From Banks					
Working capital demand loan		-	2,013	-	4,539
Short term loan		-	3,700	-	1,500
From others					
Loans and advances from related parties (Also refer note (b) below)		4,481	-	4,114	-
	D	4,481	5,713	4,114	8,309
Total Borrowings	**(C+D)**	4,544	5,713	4,133	11,265

a) These loans have been availed for acquiring certain business assets and are secured by hypothecation of specific assets purchased out of such loans. The loans are repaid in equated monthly instalments from date of loan and carry interest rate between 5% to 9% per annum. Also, refer note 4(a).

The details of lease commitments in terms of Minimum lease payments (MLP) and Present value (PV) of MLP are as follows:

Particulars	As at 31 March 2020		As at 31 March 2019	
Payments falling due:	**MLP**	**PV of MLP**	**MLP**	**PV of MLP**
Payable not later than 1 year	23	17	6	4
Payable later than one year but not later than 5 years	73	63	21	19
Total	**96**	**80**	**27**	**23**
Less: Amounts representing interest	(16)	-	(4)	-
	80	**80**	**23**	**23**

b) The loans and advances from related parties represents loan from the holding company, CAC Holdings Corporation, to the tune of ₹ 4,481 lakhs (including interest payable) (As at 31 March 2019: ₹ 4,114 lakhs) with an interest rate of 4.5 % + 6 months LIBOR rate, per annum; the entire amount being repayable in 2021-22. (Also, refer note 37)

Particulars	As at 31 March 2020	As at 31 March 2019
c) Details of guarantee		
Guaranteed by holding Company		
From banks		
- Working capital demand loan	2,013	4,539
- Short term loan	3,700	1,500
- Cash credit	-	2,270
- Letter of credit	-	2,956

d) Details of security

- The Company has availed a working capital demand loan worth ₹ 2,013 (as at 31 March 2019: ₹ 4,539) valid till 31 March 2021 from Sumitomo Mitsui Banking Corporation at an interest rate of 9% (as at 31 March 2019: 10.1%) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan. The same shall be repayable on demand.
- The Company has also availed a short term loan facility ₹ 3,700 (as at 31 March 2019: ₹ 1,500) from Mizuho Bank Ltd at an interest rate based on market conditions (subject to minimum of Marginal cost of funds based lending rate (MCLR)) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan. The same shall be repayable on demand.
- Cash credits guaranteed by holding company represents:

i) The Company has availed a cash credit facility worth ₹ Nil (as at 31 March 2019: ₹ 1,867) from Mizuho Bank Limited at an interest rate based on market conditions (subject to minimum of Marginal cost of funds based lending rate (MCLR)) (11%) which has been secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

ii) The Company has availed a cash credit facility outstanding from Sumitomo Mitsui Banking Corporation worth ₹ Nil (as at 31 March 2019: ₹ 403) at an interest rate of 12.00% which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

iii) The Company has availed letter of credits from banks which are secured by the Corporate Guarantee provided by CAC Holdings Corporation, Japan and hypothecation of goods purchased under the letter of credit, repayable to banks based on the LC period ranging from 60 to 150 days.

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020

₹ in Lakhs

	Particulars	As at 31 March 2020 Long term	As at 31 March 2020 Short term	As at 31 March 2019 Long term	As at 31 March 2019 Short term
e)	**Reconciliation for cash flow statement**				
	Opening balance	4,133	11,272	3,876	13,447
	Cash inflow / (outflow) (net)	60	(5,556)	17	(2,173)
	Exchange loss on restatement	352	-	246	-
	Interest expense	(367)	(649)	(345)	(1,134)
	Interest paid	366	646	339	1,132
	Closing balance	**4,544**	**5,713**	**4,133**	**11,272**

		As at 31 March 2020 Non-current	As at 31 March 2020 Current
19	**Lease liability**		
	Lease liability (Also, refer note(a) below)	599	294
		599	**294**

(a) Movement in lease liability	Year ended 31 March 2020
Balance as at 1 April 2019	**1,114**
Additions	85
Finance cost accrued during the year	92
Payment of lease liabilities	(405)
Exchange loss	7
Balance as at 31 March 2020	**893**

(b) Summary of contractual maturities of lease liabilities	As at 31 March 2020
Less than one year	334
One to five years	715
More than five years	127
Total undiscounted lease liabilities at 31 March 2020	**1,176**

	Particulars	As at 31 March 2020 Non-current	As at 31 March 2020 Current	As at 31 March 2019 Non-current	As at 31 March 2019 Current
20	**Provisions**				
	Provisions for employee benefits				
	Gratuity (Also refer note (a(i)) below)	504	19	519	78
	Compensated absences (Also refer note (a(ii)) below)	62	39	61	38
	Provision for warranty (Also refer note (b) below)	-	31	31	72
		566	**89**	**611**	**188**

a) Employee benefits

i) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund maintained by Life Insurance Corporation.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement:

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020

₹ in Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	729	746
Current service cost	90	83
Interest cost	52	48
Actuarial (gain)	(51)	(26)
Benefits paid	(104)	(122)
Projected benefit obligation at the end of the year	**716**	**729**
Change in plan assets		
Fair value of plan assets at the beginning of the year	132	59
Employer contributions	152	188
Benefits paid	(104)	(122)
Actuarial gain	13	7
Fair value of plan assets at the end of the year	**193**	**132**
Reconciliation of present value of obligation on the fair value of plan assets to the liability recognised		
Present value of projected benefit obligation at the end of the year	716	729
Fair value of plan assets at the end of the year	193	132
Liability recognized in the balance sheet	**523**	**597**
Thereof		
Funded	193	132
Unfunded	523	597
Components of net gratuity costs are		
Current service cost	90	83
Interest cost	52	48
Total amount recognised in the statement of profit or loss	**142**	**131**
Actuarial (gain)	(64)	(33)
Total amount recognised in other comprehensive income	(64)	(33)
Net gratuity cost	**78**	**98**
Principal actuarial assumptions used :		
Discount rate	5.10%	6.65%
Long-term rate of compensation increase	6.00%	8.00%
Expected rate of return on plan assets	7.27%	8.00%
Average remaining life (in years)	22.67	23.30%
Attrition rate		
Upto 30 years	50.00%	39.89%
31 to 44 years	33.00%	32.50%
Above 44 years	20.00%	20.30%

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Based on historical data, the Company expects contributions of ₹ 200 lakhs to be paid in 2020-21. The weighted average duration of the defined benefit obligation as at 31 March 2020 is 3 years (31 March 2019: 3 years).

Employee benefits - Maturity profile (undiscounted)

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020

₹ in Lakhs

Particulars	Less than 3 Years	Between 2-5 Years	Between 6-10 years	Over 10 year	Total
31 March 2020					
Defined benefit obligation	213	442	170	34	858
31 March 2019					
Defined benefit obligation	213	470	202	50	935

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2020.

	Attrition rate		Discount rate		Future salary increases	
	increases	Decrease	increases	Decrease	increases	Decrease
31 March 2020						
> Sensitivity Level	0.50%	0.50%	1%	1%	1%	1%
> Defined benefit obligation	(28)	48	(22)	25	24	(21)
31 March 2019						
> Sensitivity Level	0.50%	0.50%	1%	1%	1%	1%
> Defined benefit obligation	(33)	56	(24)	25	24	(23)

(ii) Compensated absences

The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company does not maintain any plan assets to fund its obligation towards compensated absences.

Particulars	As at 31 March 2020	As at 31 March 2019
Principal actuarial assumptions used		
Discount rate	5.10%	6.65%
Long-term rate of compensation increase	6.00%	8.00%
Attrition rate		
Upto 30 years	50.00%	39.89%
31 to 44 years	33.00%	32.50%
Above 44 years	20.00%	20.30%
b) Provision for warranty		
Balance at the beginning of the year	103	108
Reversed during the year	(72)	(5)
Balance at the end of the year	**31**	**103**

A provision is recognized for expected warranty claims on supply of goods, based on past experience of level of repairs and returns. The current and non-current classification of the provision is made based on the remaining warranty period of the goods supplied as at the balance sheet date. The assumptions used to calculate the provision for warranties are based on the Company's current status of goods supplied that are under warranty and information available about expenditure more probable to be incurred based on the Company's warranty terms which provides for a warranty period of about 36 months.

21 Trade payables		
Total outstanding dues of micro and small enterprises*	49	4
Total outstanding dues of creditors other than micro and small enterprises	4,935	5,399
	4,984	**5,403**

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

a)	**Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:**		
i)	Principal amount remaining unpaid	49	4
ii)	Interest due thereon	-	-
iii)	Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
iv)	Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
v)	Interest accrued and remaining unpaid as at balance sheet date	-	-
vi)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
		49	4

*The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 and 31 March 2019 has been made in the financials statements based on information received and available with the Company. Further, the Company has not paid any interest to any micro and small enterprises during the current year and previous year.

	Particulars	As at 31 March 2020	As at 31 March 2019
22	**Other financial liabilities**		
	Financial liabilities at amortised cost		
	Current		
	Current maturities of finance lease obligations (Also refer note18)	17	4
	Unpaid dividends	-	1
	Employee related payables	650	855
	Other accrued liabilities	1,215	1,295
	Total financial liabilities	**1,882**	**2,155**

Unpaid dividend included above represent amounts to be credited to the Investors Education and Protection Fund as and when they become due. There are no delays in transferring the amounts due for payment to the Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

23	**Other current liabilities**		
	Statutory dues	354	368
	Unearned revenue	1,986	2,508
		2,340	**2,876**

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
24	**Revenue from operations**		
	Sale of goods	14,338	23,709
	Sale of services	20,174	20,715
	Other operating income	8	25
	Revenue from operations (gross)	**34,520**	**44,449**
25	**Other income**		
	Liabilities no longer required written back **	418	556
	Interest income from financial assets at amortised cost	78	184
	Unwinding of discount on deposits	50	25
	Bonus on maturity of keyman insurance policy	81	-
	Bad debts recovered	79	-
	Net gain on foreign currency transactions & translations	94	20
	Interest on income tax refund	35	-
	Other non-operating income	48	28
		883	**813**

**During the year, the management has assessed the long outstanding payables and accrued liabilities as at 31 March 2020 and in the absence of any claims made by these vendors, the liabilities were written back to the statement of profit and loss amounting to ₹ 418 lakhs (31 March 2019: ₹ 556 lakhs).

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
26	**Cost of raw materials consumed**		
	Opening stock (Net of provision)	44	14
	Add : Purchases during the year	228	175
	Less: Closing stock (Net of provision)	(47)	(44)
		225	**145**
27	**Purchases of stock-in-trade & stores and spares**		
	Purchases of stock-in-trade & stores and spares	13,138	22,102
		13,138	**22,102**
28	**Changes in inventories of stock-in-trade and stores and spares**		
	Opening stock:		
	Stock-in-trade	168	704
	Stores and spares	1,225	968
	Less: Provision for inventories	(437)	(406)
		956	**1,266**
	Closing stock:		
	Stock-in-trade	67	168
	Stores and spares	962	1225
	Less: Provision for inventories	(361)	(437)
		668	**956**
	Net decrease in inventories	**288**	**310**
29	**Employee benefits expense**		
	Salaries and wages	7,818	8,008
	Gratuity expense (Also, refer note 20(a))	142	131
	Contribution to provident and other defined contribution funds	424	504
	Staff welfare expenses	97	103
		8,481	**8,746**
30	**Impairment loss**		
	Provision/write-off of loan to related party (Also refer note 30(b) below)	6	792
	Allowances for credit loss in trade receivables	444	46
	Impairment of investments (Also refer note 30(a) below)	169	790
		619	**1,628**

a) The Company has an investment of ₹ 51 Lakhs in a subsidiary named Network Programs (USA) Inc, USA and an investment of ₹ 118 lakhs in its subsidiary, Inspirisys Solutions Japan Kabushiki Kaisha, The networth of these companies as at March 31, 2020 is negative. The Management of Inspirisys Solutions Limited, have been working on turning around the business for these subsidiaries and make it profitable. However, under the current circumstances and prevailing conditions, management is of the view that business revival will be challenging for these subsidiaries. Further the existing business of Network Programs (USA) Inc., USA, can be managed by the other subsidiary company in the US, Inspirisys Solutions North America Inc., which is marketing the products and services of ISL India, the parent company, in addition to its onsite operations. In order to reduce losses from these subsidiaries and to bring down the compliance costs, the Company has taken decision to keep the operations of Network Programs (USA) Inc., USA and Inspirisys Solutions Japan Kabushiki Kaisha suspended for the time being. Considering the networth of these subsidiaries are negative, the management, as a matter of prudence, impaired the investments in these subsidiaries to the tune ₹ 169 lakhs during the current year.

b) The Company has an investment of ₹ 790 Lakhs in its subsidiary named Inspirisys Solutions IT Resources Limited (formerly known as "Accel IT Resources Limited"). The Management of Inspirisys Solutions Limited, after continuous effort to turnaround the business and make it profitable , is of the view that revival of the business for the subsidiary is not feasible and in order to reduce further losses from being incurred the operations of the subsidiary has been suspended in the previous year ended 31 March 2019. Consequent to this, the management has impaired ₹ 790 Lakhs towards value of investment in the subsidiary and has also written off the loans advanced to the subsidiary to the tune of ₹ 792 Lakhs during the previous year ended 31 March 2019 and ₹ 6 Lakhs during the current year.

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020

₹ in Lakhs

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
31	**Other expenses**		
	Sub-contracting and outsourcing cost	6,036	5,873
	Rent (Also, refer note 19 and 36)	515	915
	Legal and professional fees	902	765
	Travelling and conveyance	533	580
	Freight and forwarding	231	353
	Communication expenses	226	265
	Power and fuel	200	188
	Insurance	98	77
	Management fee (Also, refer note 37(b))	92	-
	Rates and taxes	54	74
	Repairs and maintenance		
	- Others	81	65
	- Equipment's	6	5
	- Leased premises	364	234
	Printing and stationery	49	61
	Payments to auditors*		
	Statutory audit	42	37
	Limited review	5	5
	Reimbursement of expenses	1	2
	Directors' sitting fees	16	18
	Miscellaneous expenses	212	194
		9,663	**9,711**

** excluding applicable taxes*

32	**Finance costs**		
	Interest expenses	1,112	1,479
	Other borrowing costs	63	120
	Exchange differences regarded as an adjustment to borrowing costs	81	53
		1,256	**1,652**
33	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment (Also, refer note 4)	235	246
	Amortization of intangible assets (Also, refer note 4)	156	186
	Depreciation of right-of-use asset (Also, refer note 5)	373	-
		764	**450**

34 Income taxes

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 16.69% (2018-19: 21.55%) and the reported tax expense in the statement of profit and loss are as follows:

Accounting profit before taxes	969	518
Enacted tax rates**	16.69%	21.55%
Tax on profit at enacted tax rate	162	112
Tax Impact on the following items:		
- Expenses not deductible for tax	150	223
Actual tax expense	**312**	**335**
Current tax	312	335
Tax expense reported in the statement of profit and loss	**312**	**335**

**The effective tax rate considered is 16.69% (previous year 21.55%) because the Company is subject to minimum alternate tax in the current and previous year.

The Company has evaluated the impact of "Appendix C to Ind AS-12: Uncertainty over Income Tax Treatments'' and it was concluded that it is not probable that the taxation authority will accept uncertain tax treatment. Hence, the probable impact on account of the same was determined prudently based on the management's estimate and judgement to the tune of ₹ 18 lakhs. The major judgements and estimates are involved with respect to assessment of the mostly likely outcome relating to the following uncertain tax treatment:

a) Expenses relating to application software
b) Expenses relating to prior period item
c) Expenses relating to 14A expenditure
d) Amount deductible under section 80IB of the Income Tax Act

The appendix has been applied retrospectively with the cumulative effect of initially applying the effect of the changes being recognised in the opening balance of retained earnings without adjusting comparative information.

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
34	**Earnings per equity share**		
	Nominal value of equity shares (in ₹)	10	10
	Profit attributable to equity shareholders (A)	657	183
	Weighted average number of equity shares outstanding during the year (B)	384.03	297.72
	Basic and diluted earnings per equity share (A/B) (in ₹)	1.72	0.61
36	**Leases**		
	The Company has lease contracts for office premises and these lease contracts are cancellable/renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116 .		
	Lease expense during the year, representing the minimum lease payments	515	915

37 Related parties

a) Names of related parties and nature of relationship

Name of related party	Nature of relationship
CAC Holdings Corporation, Tokyo, Japan	Holding company
CAC Corporation, Tokyo, Japan	Fellow subsidiary
CAC America Corporation	Fellow subsidiary
Inspirisys Solutions DMCC, Dubai (Formerly, Accel Frontline DMCC, Dubai)	Subsidiary
Inspirisys Solutions Japan Kabushiki Kaisha (Formerly Accel Japan Kabushiki Kaisha, Japan)	Subsidiary
Network Programs (USA) Inc., USA	Subsidiary
Inspirisys Solutions North America Inc., (Formerly Accel North America Inc., USA)	Subsidiary
Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited, India)	Subsidiary
Inspirisys Solutions Europe Limited, UK (Formerly Accel Technologies Ltd, UK)	Subsidiary
Malcolm F. Mehta, Chairman and Chief Executive Officer	Key Management Personnel (KMP)
Murali Gopalakrishnan, Chief Financial Officer	Key Management Personnel (KMP)
S Sundaramurthy, Company Secretary	Key Management Personnel (KMP)
Rajesh Ramniklal Muni	Independent director
Ruchi Naithani	Independent director
Raj Khalid	Independent director
Bin Cheng (resigned on 07.11.2019)	Non Independent, Non Executive director
Koji Iketani (appointed on 19.06.2019)	Non Independent, Non Executive director
M S Jagan (appointed on 07.02.2020)	Independent director

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

b) **Transactions with related parties**

Name of the related party	Year ended 31 March 2020	Year ended 31 March 2019
Sale of services		
CAC Holdings Corporation, Tokyo, Japan	149	74
Network Programs (USA) Inc., USA	12	44
Inspirisys Solutions North America Inc., (Formerly Accel North America Inc., USA)	1,129	1,210
CAC America Corporation	116	40
Inspirisys Solutions DMCC, Dubai (Formerly, Accel Frontline DMCC, Dubai)	58	3
Interest expense		
CAC Holdings Corporation, Tokyo, Japan	316	290
Reimbursements		
CAC Holdings Corporation, Tokyo, Japan	274	256
CAC Corporation, Tokyo, Japan	122	142
Inspirisys Solutions North America Inc., (Formerly Accel North America Inc., USA)	99	52
Advances		
Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited, India)	6	-
Interest income		
Inspirisys Solutions DMCC, Dubai (Formerly, Accel Frontline DMCC, Dubai)	17	15
Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited, India)	-	76
Remuneration*		
Malcolm F Mehta #	274	256
Murali Gopalakrishnan	80	64
S Sundaramurthy	21	19
Raj Khalid	6	6
Rajesh Ramniklal Muni	5	6
Ruchi Naithani	5	6
Management fees		
CAC Holdings Corporation, Tokyo, Japan	92	-
Sub-contracting and outsourcing cost		
CAC Corporation, Tokyo, Japan	71	68

*Gratuity and Compensated absences are being provided based on actuarial valuation performed for the Company as a whole and accordingly is not identifiable separately for the KMPs.

Payment to Mr. Malcolm F. Mehta is reimbursed by CAC Holdings Corporation, Tokyo, Japan.

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

c) **Balance with related parties**

Name of the related party	As at 31 March 2020	As at 31 March 2019
Advances		
CAC Holdings Corporation, Tokyo, Japan	-	27
CAC Corporation, Tokyo, Japan	-	1
Inspirisys Solutions DMCC, Dubai (Formerly, Accel Frontline DMCC, Dubai)	244	210
Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited, India)	6	-
Inspirisys Solutions Europe Limited, UK (Formerly Accel Technologies Ltd, UK)	54	54
Loans Payable		
CAC Holdings Corporation, Tokyo, Japan	4,481	4,114
Trade receivables		
CAC Holdings Corporation, Tokyo, Japan	-	74
Network Programs (USA) Inc., USA	200	174
Inspirisys Solutions North America Inc., (Formerly Accel North America Inc., USA)	3,080	2,605
Inspirisys Solutions Europe Limited, UK (Formerly Accel Technologies Ltd, UK)	-	30
Inspirisys Solutions DMCC, Dubai (Formerly, Accel Frontline DMCC, Dubai)	47	
CAC America Corporation	-	15
Unbilled revenue		
Inspirisys Solutions North America Inc., (Formerly Accel North America Inc., USA)	32	99
CAC America Corporation	13	-
Management fees payable		
CAC Holdings Corporation, Tokyo, Japan	92	-
Guarantee received		
CAC Holdings Corporation, Tokyo, Japan	25,500	25,500
Payables		
CAC Corporation, Tokyo, Japan	10	13
Inspirisys Solutions North America Inc., (Formerly Accel North America Inc., USA)	52	16

d) **Maximum balances outstanding during the year in accordance with Schedule V of SEBI (LODR) Regulations, 2015**

	Year ended 31 March 2020		Year ended 31 March 2019	
Name of the related party	Loans received	Advances / Amounts recoverable	Loans received	Advances / Amounts recoverable
CAC Holding Corporation, Tokyo, Japan	4,481	27	4,353	27
CAC Corporation, Tokyo, Japan	-	1	-	1
Inspirisys Solutions DMCC, Dubai (Formerly, Accel Frontline DMCC, Dubai)	-	244	-	211
Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited, India)	-	6	-	792
Inspirisys Solutions Europe Limited, UK (Formerly Accel Technologies Ltd, UK)	-	54	-	54

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

38 Fair value measurement

a) Financial instruments by category

	As at 31 March 2020			As at 31 March 2019		
	Amortized cost	Total carrying value	Fair value @	Amortized cost	Total carrying value	Fair value @
Financial assets						
Investment*	-	-	-	-	-	-
Trade receivables, net	12,222	12,222	12,222	16,269	16,269	16,269
Cash and cash equivalents	1,222	1,222	1,222	620	620	620
Bank balances	833	833	833	967	967	967
Loans	244	244	244	210	210	210
Other financial assets	919	919	919	911	911	911
Total financial assets	**15,440**	**15,440**	**15,440**	**18,977**	**18,977**	**18,977**
Financial liabilities						
Borrowings	10,257	10,257	10,257	15,398	15,398	15,398
Lease liabilities#	893	893	893	-	-	-
Trade payables	4,984	4,984	4,984	5,403	5,403	5,403
Other financial liabilities	1,882	1,882	1,882	2,155	2,155	2,155
Total financial liabilities	**18,016**	**18,016**	**18,016**	**22,956**	**22,956**	**22,956**

* Does not include Investment which are accounted at cost in accordance with Ind AS 27.

@ Management considers amortised cost for financial asset and liabilities to approximate the fair value.The company does not have any assets measured at FVOCI.

Refer note 19 to summary of significant accounting policies for non disclosure of comparative.

b) Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain financial assets which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

> **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

> **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

> **Level 3:** Unobservable inputs for the asset or liability.

Investment in Telesis Global Solutions Limited, India is valued at the amount invested as sufficient more recent information is not available to measure fair value and the cost is considered to be the best estimate of the fair value for these securities. The management had impaired the investment hence there is no carrying value for this investment.

* Does not include Investment in subsidiaries which are accounted at cost in accordance with Ind AS 27.

c) Interest-bearing loans and borrowings:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Interest-bearing loans and borrowings:		
Floating rate borrowings	4,481	4,114
Fixed rate borrowings	5,793	11,284

The fair values of the Company's interest-bearing borrowings and loans are determined under amortised cost method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. These rates are considered to reflect the market rate of interest and hence the carrying value are considered to be at fair value.

Loans, cash and bank balances, trade receivables, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

39 Financial risk management

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its and group companies operations. The Company's principal financial assets include loans, trade and other receivables, investments, cash and deposits that derive directly from its operations.

The Company is exposed to market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management assesses the financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

a) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Company did not have any floating rate borrowings expect for the borrowings from the Holding Company which is charged at LIBOR + 4%.

c) Interest rate sensitivity

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 1% for the year ended 31 March 2020 and 31 March 2019. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

		Profit before tax for the	
	Interest rate fluctuation	Year ended 31 March 2020	Year ended 31 March 2019
Increase in interest rate / (Decrease) in profit for the year	+1%	44.81	41.14
(Decrease) in interest rate / Increase in profit for the year	-1%	(44.81)	(41.14)

d) Foreign currency risk

Most of the Company's transactions are carried out in Indian rupees. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD), United Arab Emirates dirham (AED) and Great Britain Pound (GBP). The Company's foreign currency exposure is predominantly against the group and related entities.

Foreign currency denominated financial assets and financial liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate:-

	Foreign currency exposure (in ₹)		
Particulars	**USD**	**GBP**	**AED**
31 March 2020			
Financial assets	4,122	69	15
Financial liabilities	4,518	-	-
31 March 2019			
Financial assets	3,186	78	4
Financial liabilities	4,149	-	-

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this disclosure, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/₹ exchange rate, AED/₹ exchange rate and GBP/₹ exchange rate, 'all other things being equal'. It assumes a +/- 1% change of the USD/₹ exchange rate for the year ended at 31 March 2020 (31 March 2019: +/-1%), +/- 1% change of the AED/₹ exchange rate for the year ended 31 March 2020 (31 March 2019:+/- 1%) and a +/- 1% change is considered for the GBP/₹ exchange rate for the year ended at 31 March 2020 (31 March 2019: +/-1%).

If the ₹ had strengthened against the USD by 1% during the year ended 31 March 2020 (31 March 2019: 1%), AED by 1% during the year ended 31 March 2020 (31 March 2019: 1%) and GBP by 1% during the year ended 31 March 2020 (31 March 2019: 1%) respectively then this would have had the following impact on profit before tax and equity before tax:

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

Particulars		Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax			
USD	+1%	(4)	(10)
GBP	+1%	1	1
AED	+1%	-	-
Equity before tax			
USD	+1%	4	(10)
GBP	+1%	(1)	(1)
AED	+1%	-	-

If the ₹ had weakened against the USD by 1% during the year ended 31 March 2020 (31 March 2019: 1%) and GBP by 1% during the year ended 31 March 2020 (31 March 2019: 1%) respectively then there would an equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

e) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, placing deposits, investment etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting period, as summarised below:

Particulars	31 March 2020	31 March 2019
Classes of financial assets		
Trade receivables	12,222	16,269
Cash and bank balance	2,055	1,587
Loans	244	210
Other Financials assets	919	911

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and bank balances are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprises of rental deposits, security deposits and loans which are given to landlords or other governmental agencies in relation to contracts executed and related parties are assessed by the Company for credit risk on a continuous basis.

f) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and bank's short term credit facilities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. Cash flows from trade receivables are all contractually due within twelve months except for retention and long term trade receivables which are governed by the relevant contract conditions.

Notes forming part of Standalone Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of short-term borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

As at 31 March, the Company's non-derivative financial liabilities have contractual maturities as summarised below:

As at 31 March 2020	Current		Non Current
Particulars	**Within 6 months**	**6 to 12 months**	**1 to 5 years**
Borrowings	5,722	9	4,544
Lease Liabilities	144	150	599
Trade and other payables	4,984	-	-
Other financial liabilities	1,882	-	-
As at 31 March 2019			
Borrowings	11,265	4	4,129
Trade and other payables	5,403	-	-
Other financial liabilities	2,155	-	-

40 Contingent liabilities

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Sales tax	476	236
Income tax	1,717	770
Customs duty	236	236
Others	189	188
	2,618	**1,430**

41 Commitments

The Company did not have any capital commitments as at the balance sheet date (Previous year: Nil). Other commitments are cancellable at the option of the company and hence not disclosed.

42 Corporate Social Responsibility

Amount required to be spent as per section 135 of the Act	1	-

	Date	In cash	Yet to be paid	Total
For the Year ended 31 March 2020				
On Construction/acquisition of any asset		-	-	-
On purposes other than as specified above	17th April, 2020	1	-	1
For the Year ended 31 March 2019*				
On Construction/acquisition of any asset		-	-	-
On purposes other than as specified above		-	-	-

* A CSR Committee has been formed by the Company as per the Act during the year. the Company is not required to spend any amount on CSR activities till previous year, since the average net profit calculation as per Section 198 of the Companies Act, 2013 was negative.

43 Events after the reporting period

COVID-19, the novel coronavirus pandemic has spread rapidly across the globe including India. World Health Organization (WHO) declared the outbreak a global pandemic. The fall out of COVID-19 outbreak on economic activity disrupted businesses across manufacturing and services sectors during the quarter ended March 31, 2020. The Government has introduced several measures to contain the spread of the virus to protect lives and livelihood. As part of the measure, the Indian Government announced a complete lockdown on 24th March, 2020. The Company had to scale down or shut down its operations in many of our locations in India from the second half of March 2020. The wholly owned overseas subsidiaries have also scaled down / shut down its operations over various periods during this quarter. The duration of this lockdown across various geographies is currently uncertain and operations to resume normalcy will entirely depend upon the respective Government regulations.

This has impacted the sales performance in various geographies since March 2020. However, we continue to monitor the situation and appropriate action is taken as deemed necessary to resume operations, whilst complying with the Government regulations. Operations have since resumed in a staggered manner beginning June 2020 with adequate precautions being taken in accordance with Government guidelines. The impact of COVID-19 on the Company's operations and financial performance is completely dependent on the developments in the near future, which under the current circumstances is highly uncertain. As per our current assessment the company does not expect any significant impact on carrying value of inventories, intangible assets, trade receivables and investments (other than those impaired) as at March 31, 2020 and we continue to monitor changes in future economic conditions. The Company is of the view that the impact of Covid-19 may be different from those estimated as on the date of approval of these financial statements.

Notes 1 to 43 form an integral part of these standalone financial statements

In terms of our report attached

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

Sumesh E S
Partner
Membership No : 206931

Place : Chennai
Date : 11 June 2020

For and on behalf of the Board of Directors of
Inspirisys Solutions Limited
(formerly known as "Accel Frontline Limited")

Malcolm F. Mehta
Chairman & Chief Executive Officer
DIN: 03277490

Rajesh Ramniklal Muni
Director
DIN: 00193527

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai / Mumbai
Date : 11 June 2020

FORM AOC - 1

(PURSUANT TO FIRST PROVISO TO SUB SECTION(3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

STATEMENT CONTAINING SAILENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES.

₹ in Lakhs

Sl. No.	1	2	3	4	5	6
Name of the Subsidiary	Inspirisys Solutions DMCC (Formerly Accel Frontline DMCC)	Inspirisys Solutions North America Inc (Formerly Accel North America Inc)	Inspirisys Solutions Europe Limited (Formerly Accel Technologies Ltd UK)	Inspirisys Solutions Japan KK (Formerly Accel Japan KK)	Network Programs USA Inc	Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Ltd)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	As on 31-03-2020	As on 31-03-2020	As on 31-03-2020	As on 31-03-2020	As on 31-03-2020	As on 31-03-2020
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	AED - Exchange Rate as on 31-03-2020 - 20.29	USD - Exchange Rate as on 31-03-2020 - 75.10	GBP - Exchange Rate as on 31-03-2020 - 93.07	JPY - Exchange Rate as on 31-03-2020 - 0.70	USD - Exchange Rate as on 31-03-2020 - 75.10	INR
Share capital	61	492	18	129	38	300
Reserves & surplus	(1,636)	(2,392)	(267)	(1,350)	(455)	(266)
Total assets	5,168	2,015	3	79	447	42
Total Liabilities	6,743	3,916	252	1,299	865	8
Investments	-	-	-	-	-	-
Turnover	8,887	3,087	-	676	10	-
Profit before taxation	67	(334)	(52)	(196)	(22)	(8)
Provision for taxation	-	-	-	-	-	-
Profit after taxation	67	(334)	(52)	(196)	(22)	(8)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	100	100	100	100	100	100

For and on behalf of the Board of Directors

Malcolm F. Mehta
Chairman & Chief Executive Officer
(DIN: 03277490)

Rajesh Ramniklal Muni
Director
(DIN: 00193527)

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai / Mumbai
Date : 11 June 2020

Independent Auditor's Report

To the Members of Inspirisys Solutions Limited
(formerly Accel Frontline Limited)

Report on the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Inspirisys Solutions Limited (formerly Accel Frontline Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2020, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit matter	How our audit addressed the key audit matter
Recoverability assessment of trade receivables The Holding Company has reported trade receivables of ₹ 13,881 Lakhs as at 31 March 2020 and expected credit losses allowance of ₹ 1,659 lakhs as detailed in note 7 of the accompanying consolidated financial statements. Due to customer profile, the Group has significant receivable balances that are past the credit period for the product as well as services operating segments. The management measures expected credit loss on its trade receivables using practical expedient as prescribed by Ind AS 109: 'Financial Instruments', which involves significant management judgements and estimates. Considering the materiality of trade receivables balances to the Company's financial statements and the multiple estimates and judgements involved in the estimation of expected credit losses, this matter is considered as a key audit matter for the current year audit.	Our audit procedures in relation to recoverability assessment of trade receivables included but were not limited to the following: • Obtained a detailed understanding of each operating segment's revenue recognition and receivables provisioning policies, design of controls and how they are applied. • Tested the design and operating effectiveness of controls that the company has established in relation to revenue recognition. • On a sample basis, coupled with high value overdue invoices, we rolled out and obtained direct receivables confirmations from the customers of the company having outstanding receivable balances as at an interim date and at balance sheet date, for ensuring the acknowledgement of debt by the customer. • Where direct confirmations were not obtained, subsequent realization of the outstanding invoices and or customer acknowledgement of goods received, or services rendered was assessed to ensure the acknowledgement of debt by the customer.

Key Audit matter	How our audit addressed the key audit matter
	• The expected credit loss model was tested for appropriateness of past data and provisioning matrix used and reasons for other long outstanding balances were also obtained from the management. • We also considered payments received subsequent to year end, past payment history and unusual patterns to identify potentially impaired balances. • In addition, for receivables from subsidiaries, we have evaluated the reasonableness of management's estimates of future cash flows of the subsidiaries and recoverability including performing sensitivity analysis on these cash flow estimates. • Ensured appropriateness and adequacy of disclosures made in the financial statements with respect to the trade receivables and provisioning thereof in accordance with applicable accounting standards.
Inventory valuation - service division As detailed in note 13 of the accompanying consolidated financial statements, the Holding Company has reported Inventory net of provision amounting to ₹ 715 lakhs as at 31 March 2020 comprise inventory net of provision pertaining to the services division amounts to ₹ 603 lakhs. The inventory is valued at lower of cost and market value using weighted average cost method. Services division inventory comprise refurbished spares and defective spares that are either converted to refurbished spares in due course or scrapped. Refurbished spares and defective spares are valued at fair value which is based on past history of purchases of similar spares from the open market, market conditions and past history of conversion respectively. Further, the company provides for obsolescence on the services division inventory based on the ageing of these inventory and the expected usage of these inventory in future periods. Since these involves significant management judgement and has an impact on the reported performance of the Company, this matter is considered as a key audit matter for current year audit.	Our audit procedures in relation to valuation of service division inventory included but were not limited to the following: • Obtaining a detailed understanding and evaluating the design and operating effectiveness of controls that the company has established in relation to inventory valuation at its services division. • Tested the management assumptions relating to valuation of refurbished stock and comparing the values to prices of similar refurbished spares purchased from the market. • Testing the historical data pertaining to the conversion of defective stock to refurbished stock and/or scrapped to the estimation made by the management. • Also analyzed the practice followed by services divisions of other companies in this industry. • Critically assessed the Company's inventory provisioning policy, with specific consideration given to aged inventories. • Reviewed the historical accuracy of inventory provisions and level of write-offs during the year. • Compared the net realizable value, obtained by review of gross margins in services division subsequent to year-end. • Ensured appropriateness of the disclosures made in the financial statements in accordance with applicable accounting standards.
Impairment assessment of goodwill relating to the investment in subsidiaries The management has noted impairment indicators due to the continued operating losses and negative net worth of the subsidiaries as at 31 March 2020. As detailed in note 4(c) the carrying value of goodwill as at 31 March 2020 is ₹ 98 lakhs, pertaining to acquisition of Inspirisys Solutions North America, Inc., USA and as detailed in note 29 the group has impaired the goodwill pertaining to acquisition of Network Programs (USA) Inc., USA amounting to ₹ 289 Lakhs during the year ended 31 March 2020.	Our audit procedures in relation to impairment assessment of goodwill included but was not limited to the following: • Obtained an understanding of the management process and controls for identification of possible impairment indicators and process performed by the management for impairment testing. • Assessed appropriateness of the cash-generating unit determined by the management for impairment testing of goodwill. • Evaluated the independent valuation specialist's professional competence, expertise and objectivity.

Key Audit matter	How the matter was addressed in the audit
The Group's accounting policy, as detailed in Note 2 (f) to the consolidated financial statements, sets out that the Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired and if such indication exists, the Group will estimate the recoverable amount of the asset. The recoverability of carrying value of investment in subsidiaries is considered an audit risk due to the involvement of significant estimates & judgements by the management in assessing the recoverable value of the investment. Due to the inherent uncertainty involved in forecasting and discounting future cash flows this is one of the key judgement areas for our audit and is therefore considered as a Key audit matter.	• Evaluated the subsidiary's budgeting procedures upon which the cash flow forecasts are based and reviewed historical accuracy of budgeting process; • Sensitivity analysis was performed on the key assumption used in valuation. • Evaluated the discount rate and growth rate used in the estimation of recoverable value. • Evaluated the appropriateness of recognition of impairment loss for the year ended 31 March 2020. • Evaluated the appropriateness of disclosures made in the consolidated financial statements in relation to goodwill pertaining to such subsidiary companies in accordance with the applicable accounting standards.
Evaluation of uncertainty over income tax treatments As described in Note 33 and 40 to the accompanying consolidated financial statements, the Holding Company has recorded liability of ₹ 18 lakhs related to uncertain tax treatments, created a current tax liability of ₹ 312 lakhs and disclosed an amount of ₹ 1,717 Lakhs relating to income tax exposures. The Company has tax matters relating to various years under dispute at various forums of tax authority. These matter involve material uncertainty over tax treatments which the management has evaluated in accordance withAppendix C to Ind AS 12 - 'Income taxes'. This evaluation involves significant management judgement surrounding the probable tax treatment with respect to the tax positions to determine the uncertainty involved. The management has considered the uncertain tax treatment and made provision for most likely amount based on the possible outcomes. Considering the materiality of the amounts involved complexity of tax laws, significant management judgement and high degree of estimation uncertainty, this matter required significant auditor judgement and attention and, therefore, this matter is considered as key audit matter for current year.	Our audit procedures in relation to evaluation of uncertainty over income tax treatments included but were not limited to the following: • Obtained an understanding of the management process for identification, recognition and measurement of uncertain tax treatments and tested the operating effectiveness of such controls. • Obtained the information of tax treatments including matters under dispute as at 31 March 2020. • Tested the completeness, accuracy and other information used for recognition and measurement of uncertain tax treatments by verifying the tax returns filed, correspondences with the tax authorities, management's assessment of technical evaluation of the positions and the management computations of effect of uncertain tax treatments. • Obtained independent direct confirmation from the management's legal counsel. • Involved auditor's expert to test the management's underlying assumptions and judgements in estimating the most likely amount and effect of uncertain tax treatments. • The auditor's expert also considered legal precedence and other rulings and legal opinions obtained by the management in evaluating the effect of uncertain tax treatments. • Evaluated the appropriateness and adequacy of disclosure made in the consolidated financial statements in accordance with applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management 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 the assets 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, 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 Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 management;
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. For the other entities included in the financial statements, 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.

11. 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.

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

14. We did not audit the financial statements of Six subsidiaries and a branch, whose financial statements information reflect total assets of ₹ 8,473 Lakhs and net liabilities of ₹ 5,328 lakhs as at 31 March 2020, total revenues of ₹ 13,624 Lakhs and net cash inflows ₹ 37 Lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial information has been audited by other auditors whose reports has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Further, the branch is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by branch auditors under generally accepted auditing standards applicable in their respective countries.The Company's management has converted the financial statements of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion on the, in so far as it relates to the balances and affairs of such branches, is based on the report of branch auditors and the conversion adjustments prepared by the management of the Company and audited by us.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 14, on separate financial statements of the subsidiaries, we report that the Holding Company and all the subsidiary companies, covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

16. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The reports on the accounts of the branch offices of the Holding Company, and its subsidiary companies covered under the Act, audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with in preparing this report;

d) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

e) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

f) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies covered under the Act, none of the other directors of the Group companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in Annexure A;

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 40 to the consolidated financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, during the year ended 31 March 2020;

iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 20206931AAAACD9252

Place: Chennai
Date: 11 June 2020

Annexure - I
List of subsidiaries included in the statement

1. Inspirisys Solutions DMCC, Dubai
(Formerly, Accel Frontline DMCC, Dubai)

2. Inspirisys Solutions Japan Kabushiki Kaisha
(Formerly Accel Japan Kabushiki Kaisha, Japan)

3. Network Programs (USA) Inc., USA

4. Inspirisys Solutions North America Inc.,

(Formerly Accel North America Inc., USA)

5. Inspirisys Solutions IT Resources Limited

(Formerly Accel IT Resources Limited, India)

6. Inspirisys Solutions Europe Limited, UK
(Formerly Accel Technologies Ltd, UK)

Annexure A, to the Independent Auditor's Report of even date to members of Inspirisys Solutions Limited (formerly Known as Accel Frontline Limited), on the consolidated financial statements for the year ended 31st March 2020.

Independent Auditor's Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Inspirisys Solutions Limited (formerly Accel Frontline Limited), ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary which are companies covered under the Act, as at that date.

Responsibilities of Management and those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 42 Lakhs and net assets of ₹ 34 Lakhs as at 31 March 2020, total revenues of Nil and net cash outflows 0.2 Lakhs for the year ended on that date, as considered in the consolidated financial statements which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies as aforesaid, under Section 143(3)(i) of the Act insofar as it relates to such subsidiary company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Sumesh E S
Partner
Membership No.:206931
UDIN: 20206931AAAACD9252

Place: Chennai
Date: 11 June 2020

Consolidated Balance Sheet as at 31 March 2020

₹ in Lakhs

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	571	508
Right-of-use assets	5	833	-
Goodwill	4	640	930
Other Intangible assets	4	187	313
Intangible assets under development	4	235	86
Financial assets			
- Investments	6	-	-
- Trade receivables	7	28	128
- Bank balances	8	833	966
- Other financial assets	9	625	512
Deferred tax assets (net)	10	-	-
Income tax assets (net)	11	5,409	4,621
Other non-current assets	12	750	536
		10,111	**8,600**
Current assets			
Inventories	13	996	1261
Financial assets			
- Trade receivables	7	13,285	20,593
- Cash and cash equivalents	14	1,538	1,180
- Bank balances other than cash and cash equivalents	14	-	1
- Other financial assets	9	349	453
Other current assets	12	4,431	4,920
		20,599	**28,408**
TOTAL ASSETS		**30,710**	**37,008**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	3,962	3,399
Other equity	16	(2,198)	(4,561)
Total equity		**1,764**	**(1,162)**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	17	5,792	5,168
- Lease liabilities	18	599	-
Provisions	19	789	710
		7,180	5,878
Current liabilities			
Financial liabilities			
- Borrowings	17	7,211	12,388
- Lease liabilities	18	294	-
- Trade payables			
Total outstanding dues of micro and small enterprises	20	49	4
Total outstanding dues of creditors other than micro and small enterprises	20	5,664	10,921
- Other financial liabilities	21	3,661	3,007
Other current liabilities	22	4,756	5,706
Provisions	19	131	266
		21,766	**32,292**
TOTAL LIABILITIES		**28,946**	**38,170**
Total equity and liabilities		**30,710**	**37,008**

Notes 1 to 44 form an integral part of these consolidated financial statements

This is the Consolidated balance sheet referred to in our report of even date

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 11 June 2020

For and on behalf of the Board of Directors of
Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited")

Malcolm F. Mehta
Chairman & Chief Executive Officer
DIN: 03277490

Rajesh Ramniklal Muni
Director
DIN: 00193527

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai / Mumbai
Date : 11 June 2020

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

₹ in Lakhs

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
REVENUE			
Revenue from operations	23	45,849	54,641
Other income	24	977	751
Total revenue		**46,826**	**55,392**
EXPENSES			
Cost of raw materials consumed	25	225	145
Purchases of stock-in-trade and stores and spares	26	15,109	26,539
Changes in inventories of stock in trade and stores and spares	27	288	311
Employee benefits expense	28	12,590	13,359
Impairment losses	29	590	599
Other expenses	30	15,276	11,740
Total expenses		**44,078**	**52,693**
Earnings before finance cost, depreciation and amortization expenses		2,748	2,699
Finance costs	31	1,414	1,825
Depreciation and amortization expense	32	781	469
Profit before tax		553	405
Tax expense			
Current tax	33	312	338
Deferred Tax	10	-	-
Profit for the year		**241**	**67**
Other comprehensive income			
i) Items that will not be reclassified to profit and loss			
- Re-measurement gains on defined benefit plans		64	33
- Income tax relating to items that will not be reclassified to profit and loss		(11)	(7)
ii) Items that will be reclassified to profit or loss			
- Exchange difference on translation of foreign subsidiaries		(406)	(162)
Other comprehensive income for the year, net of tax		**(353)**	**(136)**
Total comprehensive income for the year		**(112)**	**(69)**
Profit attributable to:			
Owners of the Company		241	67
Non-controlling interest		-	-
		241	**67**
Other comprehensive income attributable to:			
Owners of the Company		(353)	(136)
Non-controlling interest		-	-
		(353)	(136)
Total comprehensive income attributable to:			
Owners of the Company		(112)	(69)
Non-controlling interest		-	-
		(112)	(69)
Earnings per equity share for the year			
Basic and diluted (in ₹)	34	**0.63**	**0.23**

Notes 1 to 44 form an integral part of these consolidated financial statements

This is the Consolidated statement of profit and loss referred to in our report of even date

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 11 June 2020

For and on behalf of the Board of Directors of
Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited")

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Rajesh Ramniklal Muni
Director
DIN: 00193527

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai / Mumbai
Date : 11 June 2020

Inspirisys Solutions Limited (Formerly Accel Frontline Limited), First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010.
CIN: L30006TN1995PLC031736

Consolidated Statement of Cash Flows for the year ended 31 March 2020

₹ in Lakhs

	For the Year ended 31 March 2020	For the Year ended 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	553	405
Adjustments for:		
Depreciation and amortization expense	781	469
Interest expense (including changes in financial instruments)	1,271	1,638
Interest income	(99)	(112)
Impairment loss	590	599
Net unrealized foreign exchange loss	357	166
Provision for gratuity and compensated absences	55	(73)
Provision for inventory obsolescence	226	289
Profit on sale of property, plant and equipment	(2)	11
Bad debts recovered	(79)	-
Reversal of provision for warranty	(72)	(5)
Liabilities no longer required written back	(528)	(556)
Interest on income tax refund	(35)	-
Operating profit before working capital changes	**3,018**	**2,831**
Adjustments for:		
(Decrease)/ Increase in trade payables	(4,291)	4,512
(Decrease) / Increase in other financial liabilities	(130)	541
(Decrease) / Increase in other current liabilities	(1,053)	2,436
Decrease / (Increase) in inventories	59	(26)
Decrease / (Increase) in trade receivables	7,327	(8,046)
Decrease in other financial assets	43	101
(Increase) / Decrease in other non-current assets	(217)	86
Decrease / (Increase) in other current assets	579	(1,949)
Cash generated from operating activities	5,335	486
Direct taxes paid, net	(1,097)	(447)
Net cash generated from operating activities	**4,238**	**39**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work in progress)	(492)	(172)
Proceeds from sale of property, plant and equipment and intangible assets	2	11
Interest received	60	90
Net movement in bank deposits	133	344
Net cash (used in)/generated from investing activities	**(297)**	**273**
C. Cash flow from financing activities		
Repayment of short term borrowings (net) (Also refer 17(f))	(5,294)	(1,660)
Proceeds from / (repayment of) long term borrowings (net) (Also refer 17(f))	177	730
Proceeds from issue of equity shares	3,055	2,629
Payment of lease liabilities (including interest)	(405)	-
Transfer to Investor Education and Protection Fund	(1)	-
Interest paid to banks and related parties	(1,169)	(1,630)
Net cash (used in)/generated from financing activities	**(3,637)**	**69**
D. Net change in cash and cash equivalents	**304**	**381**
E. Cash and cash equivalents at the beginning	1,180	891
Effects of foreign currency translation	54	(92)
F. Cash and cash equivalents at the end	**1,538**	**1,180**
Cash and cash equivalents include:		
Cash on hand	8	9
Balances with banks - in current accounts	1,530	1,171
Cash and cash equivalents as per note 14	**1,538**	**1,180**

Notes 1 to 44 form an integral part of these consolidated financial statements

This is the Consolidated cash flow referred to in our report of even date

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 11 June 2020

For and on behalf of the Board of Directors of
Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited")

Malcolm F. Mehta
Chairman & Chief Executive Officer
DIN: 03277490

Rajesh Ramniklal Muni
Director
DIN: 00193527

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai / Mumbai
Date : 11 June 2020

Consolidated Financial Statement of Changes in Equity for the year ended 31 March 2020

₹ in Lakhs

Particulars	Equity share capital	Other income						Total
		Reserves and Surplus			Accumulated other comprehensive income		Total other equity	
		General reserve	Retained Earnings	Securities Premium Reserve	Foreign currency translation reserves	Other Items		
Balances as at 01 April 2018	**2,976**	**859**	**(14,562)**	**6,857**	**285**	**(136)**	**(6,697)**	**(3,721)**
(Profit) for the year	-	-	67	-	-	-	67	67
Other comprehensive income	-	-	-	-	(162)	26	(136)	136
Total comprehensive income for the year	**-**	**-**	**67**	**-**	**(162)**	**26**	**(69)**	**(69)**
Transactions with owners in their capacity as owners:								
Shares issued during the year	423	-	-	-	-	-	-	423
Securities Premium on equity shares issued	-	-	-	2,205	-	-	2,205	2,205
Balances as at 31 March 2019	**3,399**	**859**	**(14,495)**	**9,062**	**123**	**(110)**	**(4,561)**	**(1,162)**
Balances as at 01 April 2019	**3,399**	**859**	**(14,495)**	**9,062**	**123**	**(110)**	**(4,561)**	**(1,162)**
Transition Impact on adoption of :								
i) Appendix C to Ind AS 12 (refer note no 33)	-	-	(18)	-	-	-	(18)	**(18)**
Restated Balances as at 01 April 2019	**3,399**	**859**	**(14,513)**	**9062**	**123**	**(110)**	**(4,579)**	**(1,180)**
Profit for the year	-	-	241	-	-	-	241	241
Other comprehensive income	-	-	-	-	(406)	53	(353)	(353)
Total comprehensive income for the year	**-**	**-**	**241**	**-**	**(406)**	**53**	**(112)**	**(112)**
Transactions with owners in their capacity as owners:								
Shares issued during the year	563	-	-	-	-	-	-	563
Securities Premium on equity shares issued	-		-	2,493	-	-	**2,493**	2,493
Balances as at 31 March 2020	**3,962**	**859**	**(14,272)**	**11,555**	**(283)**	**(57)**	**(2,198)**	**1,764**

Notes 1 to 44 form an integral part of these Consolidated financial statements

IThis is the statement of changes in equity referred to in our report of even date

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

Sumesh E S
Partner
(Membership No : 206931)

Place : Chennai
Date : 11 June 2020

For and on behalf of the Board of Directors of
Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited")

Malcolm F. Mehta
Chairman & Chief Executive Officer
DIN: 03277490

Rajesh Ramniklal Muni
Director
DIN: 00193527

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai / Mumbai
Date : 11 June 2020

1 Background

Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited") ("Inspirisys" or the Company) and its subsidiaries (collectively referred to as "the Group") was incorporated on 8 June 1995 and is listed on the National Stock Exchange of India ('NSE') and Bombay Stock Exchange Limited ('BSE'). The Group's principal lines of business is IT services which includes, providing system integration solutions comprising network design, hardware and software, IT infrastructure management solutions, warranty management solutions for imported and indigenous equipment, software development, implementation and maintenance of software applications. The Registered office of the Group is located at First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk. Chennai - 600 010, Tamil Nadu, India.

2 Summary of significant accounting policies

a) Basis of preparation and presentation of consolidated financial statements

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial assets and liabilities which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules,2015 and relevant amendments rules issued thereafter.

The financial statements of the Group are prepared in Indian Rupee (₹), which is also the functional currency of the Group. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months.

Basis of consolidation

The Consolidated financial statements include the financial statements of the Subsidiary companies as listed below. The financial statements of the subsidiary undertakings forming part of these consolidated financial statements are drawn up to 31 March 2020. Subsidiaries are all entities over which the Holding Company has the ability to control the financial and operating policies. All material intercompany transactions and accounts are eliminated on consolidation.

The company has the following subsidiaries.

Name	Holding	Abbrevia-tion	Country of incorporation/origin
Inspirisys Solutions DMCC, UAE, (formerly Accel Frontline DMCC, Dubai)	100%	ISDMCC	Established as a wholly owned subsidiary enterprise as per the license by DMCC, Dubai.
Network Programs (USA), Inc., USA	100%	NPUS	Incorporated under the laws of the State of Delaware, USA.
Inspirisys Solutions Japan Kabushiki Kaisha, Japan (formerly known as Accel Japan Kabushiki Kaisha, Japan)	100%	ISJKK	Incorporated under the laws of Japan in Tokyo, Japan.
Inspirisys Solutions North America, Inc., USA (formerly known as Accel North America, Inc., USA)	100%	ISNA	Incorporated under the laws of the State of California, USA.
Inspirisys Solutions IT Resources Limited, India (formerly known as Accel IT Resources Limited, India)	100%	ISITRL	Incorporated under the laws of India.
Inspirisys Solutions Europe Limited, UK (formerly known as Accel Technologies Limited, UK)	100%	ISEL	Incorporated under the laws of United Kingdom.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Ind AS 110 - Consolidated Financial Statements and accounting standards as specified in the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses resulting from intra-group transactions are also eliminated except to the extent recoverable value of related assets is lower than their cost to the Group. Profit or loss of subsidiaries acquired or disposed during the year is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date the control ceases.

Excess of acquisition cost over the carrying amount of the Parent's share of equity of the acquiree at the date of acquisition is recognized as goodwill. In cases where the share of the equity in the acquiree as on the date of acquisition is in excess of acquisition cost, such excess of share in equity is recognised as 'Capital reserve' and classified under 'Reserves and Surplus'. The Parent's share of equity in the subsidiary is determined on the basis of book values of assets and liabilities as per the financial statements of the subsidiary as at the date of acquisition.

The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the Parent and its share in the relevant reserves of the subsidiary.

As per Ind AS 110 - Consolidated Financial Statements prescribed under the Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the Parent having no bearing on the true and fair view of the consolidated financial statements of the group are not disclosed in the consolidated financial statements.

New and amended standards adopted by the group

The Company has applied the following standards and amendments for the fist time for the annual reporting period commencing 01 April 2019;

Ind AS 116, Leases

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17 (Also, refer note 5 and 18).

Ind AS 12, Income taxes

Appendix C, Uncertainty over Income Tax Treatments: On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates (Also, refer note 33).

The above standards or amendments did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the grouping disclosures, and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenues and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Group bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Significant management estimates and judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19):

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

Classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

Recognition of deferred tax assets

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Capitalisation of internally developed intangible assets

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there any indicators that capitalised costs may be impaired.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortizable assets

Management reviews its estimate of the useful lives of depreciable / amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Inventory

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note 2(r) financial instruments.

c) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has evaluated and considered its operating cycle as 12 months.

d) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready or substantially ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains/ losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell. Repairs and Maintenance costs are recognized in the Statement of Profit and Loss when incurred.

Property, plant and equipment are depreciated using straight line method over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

Particulars	Useful life (years)
Computer hardware	6
Furniture and fittings	10
Office equipment	5
Plant and machinery	15
Leasehold improvements	Over primary Lease term
Vehicles - Motor bikes	5
Vehicles - Motor cars	5

Based on evaluation, the Management believes that the useful lives as given above represent the period over which the Management expects to use these assets. Hence, the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The Group has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Group to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

e) Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development. Intangible assets are amortized on a straight line basis over the estimated useful economic life. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Goodwill of the Group is not amortised since the same has a infinite useful life.

A summary of useful life's considered for the intangible assets is as below:

Particulars	Useful life
Software	7 years
Goodwill	Infinite
Technical Know-how	10 years

f) Impairment of property, plant and equipment and intangible assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Intangible assets that have an indefinite useful life, not subject to amortisation and Intangible assets under development are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

g) Revenue recognition

The Group earns revenue primarily from Information Technology (IT) services which includes, providing system integration solutions comprising network design, hardware and software, IT Infrastructure management solutions, warranty management solutions for imported and indigenous equipment and development, implementation and maintenance of software applications.

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated– i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11.

To determine whether to recognise revenue from contracts with customers, the Group follows a 5-step process:

1 Identifying the contract with customer

2 Identifying the performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Recognising revenue when/as performance obligation(s) are satisfied.

A performance obligation is satisfied over time if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;

(b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced ; or

(c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length. Invoicing in excess of revenues are classified as contract liabilities (which we refer to as "unearned revenue").

The Group disaggregates revenue from contracts with customers by nature of offerings (sales and services)

System Integration (Product / Hardware)

System Integration division carries out sale of servers, IT and Network related products and software across India based on contracts with the customers. System Integration division also offers a wide range of Multi-function kiosks (MFK), Ticketing Kiosks, and Queue Management Systems.

• Revenue from the sale of distinct manufactured systems and third party supply is recognised when control of the product is transferred to the customer, being the point of time when the product / software is delivered and acknowledged by the customer. In cases where installation services are rendered, the sale and installation service is considered as multiple performance obligations and revenue is recognised separately as and when the delivery and the installation service is performed.

Services (Infra, Security, Cloud and Software)

Services division provides maintenance services of hardware, software and other network related parts and also outsources certain maintenance contracts to the other service providers. Services division also carries out software development services to its subsidiary in USA and external customers and the same are provided to the customers based on contracts.

• Under fixed price maintenance and support services, the performance obligations relating to the service are satisfied over a period of time and the revenue is recognised on a straight line basis over the period of contract, net of expected liquidated damages or deductions.

• Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Warranty Management services (WMS)

Warranty Management Services division is a vendor agnostic, full-service, warranty management service provider in the field of IT, Telecom, Security surveillance, Home Automation and other areas.

- Revenue from contracts is recognised as the service transactions are performed and acknowledgement by the customer.

All the relevant provisions of Ind AS 115 in relation to determination of transaction price has been considered and the same has been given due prospective impact based on Appendix D34 of Ind AS 101 (First time adoption).

h) Other income

Other income is comprised primarily of interest income, dividend income, gain/loss on investments, exchange gain/loss on translation of assets and liabilities.

Interest income is reported on an accrual basis using the effective interest method and is included under the head “other income” in the Statement of Profit and Loss.”

Dividend income is recognized when the Group’s right to receive dividend is established by the reporting date.

i) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average basis and includes expenditure incurred in the normal course of business in bringing inventories to its location and condition, labour and overhead, where applicable. Inventories are written down for obsolete/slow moving/ non moving items wherever necessary.

j) Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their nature. The costs of the Group are broadly categorised in employee benefit expenses, finance cost, depreciation and amortisation expense and other expenses. Employee benefit expenses include salaries, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Other expenses mainly include fees to professional and consultants, rent, outsourcing costs, travel expenses, communication expenses, freight expenses and other miscellaneous expenses. Other miscellaneous expenses is an aggregation of costs which are individually not material such as repairs and maintenance, electricity charges and advertisement and brokerage, etc.

k) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

(i) Provident fund

This is a defined contribution plan where contributions are remitted to provident fund authorities in accordance with the relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Group has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions.

Defined benefit plan

(i) Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

(ii) Compensated absences

The Group provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of non vesting benefit. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Group’s defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

l) Leases

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months and low value lease. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

d) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Under Ind AS 17

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

m) Foreign currency transactions

Functional and presentation currency

The functional currency of the Group is the Indian Rupee. These financial statements are presented in Indian Rupees (₹) (rounded off to nearest lakhs).

Transactions and translations

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance sheet date. The gains or losses resulting from such transactions are included in net profit in the Statement of Profit and Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rates prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rates prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency translations are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Effective April 1, 2018, the Group has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant. Also retrospective application of the amendment is not permitted.

n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

o) Investments in subsidiaries

The Group's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

p) Income taxes

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The current income tax expense includes income taxes payable by the Group and its branches in India and overseas. The current tax payable by the Group in India is Indian income tax payable on worldwide income after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

Current income tax payable by overseas branches of the Group is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Group's worldwide income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

q) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

r) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets (other than trade receivables) are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through statement of profit and loss which are measured initially at fair value. Subsequent measurement of financial assets is described below. Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a. Amortized cost

b. Fair Value Through Other Comprehensive Income (FVTOCI) or

c. Fair Value Through Profit or Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(i) Financial asset at amortised cost

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by instrument (i.e.., share-by-share) basis. If the Group decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in the statement of profit and loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or

b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability at fair value through profit and loss.

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

s) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Group tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

-All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables.

Trade receivables

The Group applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

t) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
  The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities .

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

v) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks and on hand which are unrestricted for withdrawal and usage. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has identified the following as reportable segments: a) System integration (Products / Hardware) solutions comprising supply, installation, commissioning of network design, hardware, software and related services, b) Services (Infra, Security, Cloud, Software), c) Warranty management services (WMS). Per Para 4 of Ind AS 108 Operating Segments, when entity's financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Hence segment information is disclosed as part of consolidated financial statements for the year ended 31 March 2020.

x) Earnings / (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

y) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable.

z) Transfer Pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Group is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the financial year ended 31 March 2020 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Group's results.

3. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

4 Property, plant and equipment and Intangible assets

₹ in Lakhs

Particulars	TANGIBLE ASSETS							INTANGIBLE ASSETS		
	Leasehold improvements	Plant and machinery	Furniture and electrical fittings	Office equipment	Computers	Vehicles	Total	Goodwill	Other intangible assets	Under develop-ment
Gross block										
Balance as at 01 April 2018	**334**	**141**	**157**	**50**	**1,168**	**92**	**1,942**	**1,666**	**1,031**	**41**
Additions	11	-	2	16	74	24	127	-	-	45
Deletions	-	-	-	-	-	(43)	(43)	-	-	-
Exchange fluctuation	-	-	-	-	(26)	-	(26)	-	1	-
Balance as at 31 March 2019	**345**	**141**	**159**	**66**	**1,216**	**73**	**2,000**	**1,666**	**1,032**	**86**
Additions	44	3	-	5	161	103	314	0	31	149
Deletions	-	-	-	-	-	(10)	(10)	-	-	-
Exchange fluctuation	8	-	-	2	35	1	46	-	-	-
Balance as at 31 March 2020	**397**	**144**	**159**	**73**	**1,412**	**167**	**2,350**	**1,666**	**1,063**	**235**
Accumulated depreciation/amortization									-	
Balance as at 01 April 2018	**128**	**35**	**80**	**29**	**950**	**44**	**1,266**	**322**	**533**	**-**
Charge for the year	77	16	13	13	128	36	283	-	186	-
Impairment loss (Also refer note 29)	-	-	-	-	-	-	-	414	-	-
Reversal on disposal of assets	-	-	-	-	-	(43)	(43)	-	-	-
Exchange fluctuation	-	-	-	-	(13)	(1)	(14)	-	-	-
Balance as at 31 March 2019	**205**	**51**	**93**	**42**	**1,065**	**36**	**1,492**	**736**	**719**	**-**
Charge for the year	58	11	20	15	127	22	252	-	156	-
Impairment loss (Also refer note 29)	-	-	-	-	-	-	-	289	-	-
Reversal on deletions	-	-	-	-	-	(10)	(11)	-	-	-
Exchange fluctuation	8	-	-	2	34	1	46	1	1	-
Balance as at 31 March 2020	**271**	**62**	**113**	**59**	**1,226**	**49**	**1,779**	**1,026**	**876**	**-**
Net Block										
Balance as at 31 March 2019	**140**	**90**	**66**	**24**	**151**	**37**	**508**	**930**	**313**	**86**
Balance as at 31 March 2020	**126**	**82**	**46**	**14**	**186**	**118**	**571**	**640**	**187**	**235**

Inspirisys Solutions Limited (Formerly Accel Frontline Limited), First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010.
CIN: L30006TN1995PLC031736

(a) Property, plant and equipment pledged as security

The following assets are purchased under finance lease and are secured against the asset purchased (Also refer note 17)

₹ in Lakhs

Particulars	31 March 2020		31 March 2019	
	Gross block	Net block	Gross block	Net block
Vehicles	134	100	24	17
Total	**134**	**100**	**24**	**17**

(b) Intangibles under development

Intangibles under development represents the software which will be used to earn licensing income.

(c) Goodwill

The Group has goodwill of indefinite useful life relating to purchase of specific software business and investment into one subsidiary which is monitored based on individual Cash Generating Units (CGU). The useful life of the goodwill is estimated to be indefinite since the economic benefit to be derived from the asset cannot be restricted to definite period. As required by Ind AS, the Group has performed impairment test on a yearly basis using the value in use method. The calculations use cash flow projections based on the financial budgets approved by the management covering a three year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the CGU operates. Following is the key assumptions used by the management to calculate the value in use. The recoverable value of the CGU is more than the carrying value as at 31 March 2020 of CGU, accordingly there is no impairment provision made during the year.

Particulars	Services division	ISNA
Sales growth rate (%)	10-14	20
Long term growth rate (%)	2	2
Budgeted EBIDTA (%)	24-26	2-4
Budgeted EBIT (%)	22-24	3-4
Pre-tax discount rate (%)	18.97	11.08

Management has determined the values assigned to each of the above key assumptions as follows:

Assumptions	Approach used to determine values
Sales growth rate	Average annual growth rate over the three year-year period forecast which is based on past performance and management's expectations of market development
Budgeted EBITDA	Based on past performance and management's expectations for the future
Budgeted EBIT	Based on past performance and management's expectations for the future
Long term growth rate	This is the weighted average growth rate used to extrapolate the cash flows beyond the budget period. The rates are consistent with the forecasts included in industry reports
Pre-tax discount rate	Reflects specific risks relating to the business and the country in which they operate

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	Particulars	As at 31 March 2020
5	**Right-of-use asset**	
	Balance as at 1 April 2019	1,114
	Additions	85
	Deletion	0
	Depreciation of Right-of-use asset (Also, refer note 32)	(373)
	Exchange gain	7
	Balance as at 31 March 2020	**833**

	Particulars	Number	Face value	As at 31 March 2020	As at 31 March 2019
6	**Investments - Non-current Investments**				
	Investments carried at fair value through profit and loss				
	i) Investments in equity investments of other companies (fully paid-up) (Unquoted)				
	Telesis Global Solutions Limited, India	96,374	₹ 10	30	30
	Less: Impairment in the value of investments			(30)	(30)
	Total Non - current investments			-	-
	Aggregate amount of unquoted investments			30	30
	Aggregate provision for impairment in value of investments			(30)	(30)

		As at 31 March 2020		As at 31 March 2019	
		Non-current	Current	Non-current	Current
7	**Trade receivables**				
	(Unsecured)				
	a) Considered good, unsecured	28	14,978	128	22,186
	Allowances for expected credit loss	28	14,978	128	22,186
	Receivables which have significant increase in credit risk	-	(1,694)	-	(1,593)
		28	**13,285**	**128**	**20,593**

Trade receivables include due from related parties amounting to ₹ 46 lakhs (31 March 2019: ₹ 191 lakh). The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

The Group has impaired its trade receivables using a provisioning matrix representing expected credit losses based on a range of outcomes. During the year, the Group had (utilised)/provided an amount of (₹ 200 lakhs) and ₹ 301 Lakhs (previous year (₹ 197 lakhs) and ₹ 185 Lakhs) within the impairment losses. (Also refer note 29)

Customer credit risk is managed based on the Group's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management. Outstanding customer receivables are regularly monitored by the management to ensure the risk of credit loss is minimal. Credit quality of a customer is assessed based on historical information in relation to pattern of collections, defaults and credit worthiness of the customer.

	As at 31 March 2020	As at 31 March 2019
Movement of expected credit loss		
Balance at beginning of the year	1,593	1,605
Additions/(reversal) during the year, net (Also refer note 29)	301	185
Utilised during the year	(200)	(197)
Balance at end of the year	**1,694**	**1,593**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

	Particulars	As at 31 March 2020	As at 31 March 2019
8	**Bank balances**		
	Balances with bank held as margin money	833	966
		833	**966**

Non-current bank balances represents, interest bearing deposits with bank with more than 12 months maturities. These margin money deposits are given as lien to obtain bank guarantee. These bank guarantee are issued to customers as collateral for execution of contract.

		As at 31 March 2020		As at 31 March 2019	
		Non-current	Current	Non-current	Current
9	**Other financial assets**				
	(Unsecured, considered good unless otherwise stated)				
	Security deposits	314	-	253	-
	Rental deposits	311	201	256	190
	Other receivable	-	131	-	253
	Other loans and advances				
	-Considered good	-	17	3	10
	-Considered doubtful	-	-	-	31
		625	349	512	484
	Less : Allowances for credit loss	-	-	-	(31)
		625	**349**	**512**	**453**

	Particulars	As at 31 March 2020	As at 31 March 2019
10	**Deferred Tax (net)**		
	The breakup of deferred tax liability is as follows:		
	Deferred tax liability arising on account of :		
	- Timing difference between depreciation/amortization as per financials and depreciation as per tax	(85)	(121)
		(85)	**(121)**
	Deferred tax asset arising on account of :		
	- Provision for employee benefits	337	288
	- Allowances for expected credit loss	483	448
	- Provision for inventory	121	146
	- Impairment in value of investments	284	5
	- Unabsorbed depreciation and business loss	3,198	2,746
	- Minimum Alternative tax credit available	647	338
	- Others	10	32
		5,080	4,003
	Net deferred tax asset*	-	-

*The Group has not recognised deferred tax asset as it is not probable that taxable profit will be available for utilizing the unused tax losses and temporary differences. The Company has neither recognised deferred tax expense nor income in the statement of profit and loss and other comprehensive income for the year ended 31 March 2020 and 31 March 2019 and consequently reconciliation for the same is not disclosed.

11	**Income tax assets (net)**		
	Advance Tax (net of provision for tax) (Also, refer note 33)	5,409	4,621
		5,409	**4,621**

Particulars	As at 31 March 2020		As at 31 March 2019	
12 Other assets	**Non-current**	**Current**	**Non current**	**Current**
Balances with government authorities	386	181	386	131
Prepaid expenses	364	2,683	150	3,596
Unbilled revenue	-	1,356	-	1,039
Other advances - Staff advance	-	20	-	21
Advance to supplier	-	191	-	133
	750	**4,431**	**536**	**4,920**

		As at 31 March 2020	As at 31 March 2019
13 Inventories			
Raw materials		101	74
Stock-in-trade		348	429
Stores and spares*		962	1,225
Less: Provision for inventory obsolescence		(415)	(467)
		996	**1,261**
** Includes goods in transit of ₹ 32 lakhs (previous year ₹ 17 lakhs)*			
14 Cash and bank balances			
Cash and cash equivalents			
Cash on hand		8	9
Balances with banks - current accounts		1,530	1,171
	(A)	**1,538**	**1,180**
Bank balances other than mentioned in cash and cash equivalents			
Unpaid dividend account		-	1
Less: Classified to non current bank balance		-	-
	(B)	-	1
	Total (A+B)	**1,538**	**1,181**

	As at 31 March 2020		As at 31 March 2019	
	Nos.	**Amount**	**Nos.**	**Amount**
15 Equity Share Capital				
Authorized				
Equity shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	39,616,873	3,962	33,991,873	3,399
	39,616,873	**3,962**	**33,991,873**	**3,399**
a) Reconciliation of number of shares				
Equity shares				
Opening balance	3,39,91,873	3,399	2,97,61,873	2,976
Issued during the year	56,25,000	563	42,30,000	423
Closing Balance	**3,96,16,873**	**3,962**	**3,39,91,873**	**3,399**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

		As at 31 March 2020		As at 31 March 2019	
b)	**Shares held by the ultimate holding company**				
	Equity shares of ₹ 10 each				
	CAC Holding Corporation	2,77,12,125	2,771	2,20,87,125	2,209
c)	**Shareholders holding more than 5% of the aggregate shares in the Company**	**Nos.**	**% holding**	**Nos.**	**% holding**
	Equity Shares of ₹ 10 each				
	CAC Holding Corporation, Holding company	27,712,125	70%	22,087,125	65%
	Amicorp Trustees (India) Private Limited (Also, refer note (g) below)	4,464,279	11%	4,464,279	13%

d) Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their share holding.

e) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years immediately preceding 31 March 2020.

f) Pursuant to the shareholder's resolution dated 19 June 2019, the Company has made further issue of 5,625,000 equity shares of ₹ 10 each to CAC Holdings Corporation, Tokyo, Japan at a premium of ₹ 44.30 per share.

g) In terms of the Settlement Agreement and Release dated March 15, 2017 entered into between Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited") ('the Company'), CAC Holdings Corporation, Japan (the current promoter) and Accel Limited, Mr. N R Panicker and Accel Systems Group Inc, (the erstwhile promoter group of Accel Frontline Limited) 44,64,279 shares (representing 11% (previous year: 13%) of the shareholding of the company) held by the erstwhile promoter group was transferred by such erstwhile promoter group to a Trust between 21st July 2017 and 25th August 2017. The Company does not control this trust including the decisions relating to dealing with these shares. However, the Company is the end beneficiary only of the consideration if and when the shares are sold by the trustees.

h) Capital management policies and procedures

The Company's capital management objectives are:

- to safeguard the Company's ability to continue as a going concern, and continue to provide optimum returns to the shareholders and all other stakeholders by building a strong capital base.
- to maintain an optimum capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders plus its borrowings and cash credit facility, if any, less cash and cash equivalents as presented on the face of the balance sheet. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Group for the reporting years are summarized as follows:

		As at 31 March 2020	As at 31 March 2019
Borrowings		13,270	17,780
Cash and bank balances		2,371	2,147
Net debt	**(A)**	**10,899**	**15,633**
Total equity	**(B)**	**1,764**	**(1,162)**
Overall financing	(A+B)	**12,663**	**14,471**
Gearing ratio		**86%**	**108%**

16 Other Equity

Securities premium

Balance at the beginning of the year	9,062	6,857
Additions made during the year	2,493	2,205
Balance at the end of the year	**11,555**	**9,062**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

	As at 31 March 2020	As at 31 March 2019
General reserve		
Balance at the beginning of the year	859	859
Additions made during the year	-	-
Balance at the end of the year	**859**	**859**
Retained earnings		
Balance at the beginning of the year	(14,495)	(14,562)
Less: Impact on adoption of "Appendix C" to Ind AS 12	(18)	-
Add : Transferred from statement of profit and loss	241	67
Balance at the end of the year	**(14,272)**	**(14,495)**
Accumulated other comprehensive income		
Balance at the beginning of the year	(110)	(136)
Add : Transfer from other comprehensive income	53	26
Balance at the end of the year	**(57)**	**(110)**
Accumulated foreign currency translation reserves		
Balance at the beginning of the year	123	285
Add : Transfer from other comprehensive income	(406)	(162)
Balance at the end of the year	(283)	123
Total Other equity	**(2,198)**	**(4,561)**

a) **Securities premium**
Securities premium comprises of the amount of share issue price received over and above the face value of ₹ 10 each.

b) **General reserve**
General reserve represents an appropriation of profits by the Company.

c) **Accumulated other comprehensive income**
Represents remeasurement of defined benefit liability which comprises of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability.

d) **Retained earnings**
Retained earnings represents the amounts of accumulated earnings of the Company.

e) **Accumulated foreign currency translation reserves**
Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassed to profit or loss when the net investment is disposed-off.

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
17 Borrowings				
i) Secured				
From Banks				
Finance lease obligations (Also, refer note (a) below)	63	17	19	4
Letter of credit	-	1,204	-	3407
	63	1,221	19	3,411
Less: Current maturities of long-term borrowings (Also, refer note 21)	-	(17)	-	(4)
	63	1,204	19	3,407
ii) Unsecured				
Loans repayable on demand				
From banks				
Cash credit	-	294	-	2,942
Other borrowings				
From Others				
Working capital demand loan	-	2,013	-	4,539
Short term loan	-	3,700	-	1,500

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
From others				
Loans and advances from related parties	5,979	-	5,369	-
(Also, refer note (c) below)	**5,979**	**6,007**	**5,369**	**8,981**
Less: Current maturities of long-term borrowings (Also, refer note 21)	(250)	-	(220)	-
	5,729	**6,007**	**5,149**	**8,981**
Total Borrowings	**5,792**	**7,211**	**5,168**	**12,388**

a) These loans have been availed for acquiring certain business assets and are secured by hypothecation of specific assets purchased out of such loans. The leases are repaid in equated monthly instalments from date of loan and carry interest rate between 5% to 9% per annum. Also, refer note 4(a).

The details of lease commitments in terms of Minimum lease payments (MLP) and Present value (PV) of MLP are as follows:

	As at 31 March 2020		As at 31 March 2019	
Payments falling due:	**MLP**	**PV of MLP**	**MLP**	**PV of MLP**
Payable not later than 1 year	23	17	6	4
Payable later than one year but not later than 5 years	73	64	21	19
Total	**97**	**80**	**27**	**23**
Less: Amounts representing interest	(17)	-	4	-
	80	**80**	**23**	**23**

b) The loans and advances from related parties represents loan from the ultimate holding company, CAC Holding Corporation, to

- Inspirsys Solutions Limited to the tune of ₹ 4,481 (including interest payable) (As at 31 March 2019: ₹ 4,114) at an interest rate of 4.5%+6 months LIBOR rate and the entire amount being repayable in 2021-22. (Also refer note 36)
- Inspirisys Solutions North America Inc., USA to the tune of ₹ 747 (As at 31 March 2019: ₹ 685) at an interest rate of 3.25%+6 months LIBOR rate and repayable between 2021-22 and 2022-23. (Also refer note 36)
- Network Programs (USA) Inc., USA, to the tune of ₹ 230 (As at 31 March 2019: ₹ 210) at an interest rate of 3.25%+6 months LIBOR rate and repayable over the period 2017-18 to 2019-20 in five tranches occuring once in every 6 months. Owing to cash flow issues the company is in the process of reschedulng the repayment of the loan. (Also refer note 36)
- Inspirisys Solutions Japan Kabushiki Kaisha., Japan, to the tune of ₹ 539 (As at 31 March 2019: ₹ 360) at an interest rate of 0.65% and repayable over the period 2018-19 and 2021-22. (Also refer note 36)

	As at 31 March 2020	As at 31 March 2019
c) Details of guarantee		
Guaranteed by holding company		
From banks		
- Working capital demand loan	2,013	4,539
- Short term loan	3,700	1,500
- Cash credit	294	2,942
- Letter of credit	1,204	3,407

d) Details of security

- The Company has availed a working capital demand loan worth ₹ 2,013 (as at 31 March 2019: ₹ 4,539) valid till 31 March 2021 from Sumitomo Mitsui Banking Corporation at an interest rate of 9% (as at 31 March 2019: 10.1%) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan. The same shall be repayable on demand.
- The Company has also availed a short term loan facility ₹ 3,700 (as at 31 March 2019: ₹ 1,500) from Mizuho Bank Ltd at an interest rate based on market conditions (subject to minimum of Marginal cost of funds based lending rate (MCLR)) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan. The same shall be repayable on demand.
- Cash credits guaranteed by holding company represents:

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

i) The Company has availed a cash credit facility worth ₹ Nil (as at 31 March 2019: ₹ 1,867) from Mizuho Bank Limited at an interest rate based on market conditions (subject to minimum of Marginal cost of funds based lending rate (MCLR)) (11%) which has been secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

ii) The Company has availed a cash credit facility outstanding from Sumitomo Mitsui Banking Corporation worth ₹ Nil (as at 31 March 2019: ₹ 403) at an interest rate of 12.00% which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.

iii) One of the subsidiaries, Inspirisys Solutions DMCC, UAE, (formerly Accel Frontline DMCC, Dubai), has availed a cash credit facility from Emirates NBD worth ₹ 295 (As at 31 March 2019: ₹ 672) which are secured by the Corporate Guarantee provided by CAC Holdings Corporation, Japan.

One of the subsidiaries, Inspirisys Solutions DMCC, UAE, (formerly Accel Frontline DMCC, Dubai), has availed letter of credits from banks which are secured by the Corporate Guarantee provided by CAC Holdings Corporation, Japan and hypothecation of goods purchased under the letter of credit, repayable based on the LC period ranging from 60 to 180 days with roll over facility.

	Particulars	Long term	Short term	Long term	Short term
		As at 31 March 2020		As at 31 March 2019	
e)	**Reconciliation for cash flow statement**				
	Opening balance	5,392	12,388	4,407	14,050
	Cash inflow / Cash outflow (net)	177	(5,294)	730	(1,660)
	Exchange loss on restatement)	391	114	261	-
	Interest expense	473	798	(357)	(1,281)
	Interest paid	(374)	(795)	351	1,279
	Closing balance	**6,059**	**7,211**	**5,392**	**12,388**

		As at 31 March 2020	
		Non-Current	Current
18	**Lease liability**		
	Lease liability (Also, refer note(a) below)	599	294
		599	294

	Year ended 31 March 2020
(a) Movement in lease liability	
Balance as at 1 April 2019	**1,114**
Additions	85
Finance cost accrued during the year	92
Payment of lease liabilities	(405)
Exchange loss	7
Balance as at 31 March 2020	893

	As at 31 March 2020
(b) Summary of contractual maturities of lease liabilities	
Less than one year	393
One to five years	656
More than five years	127
Total undiscounted lease liabilities at 31 March 2020	**1,176**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

	As at 31 March 2020		As at 31 March 2019	
	Non-current	Current	Non-current	Current
19 Provisions				
Provisions for employee benefits				
Gratuity (refer note (a) (i) below)	634	44	569	137
Compensated absences (refer note (a) (ii) below)	155	56	110	57
Provision for warranty (refer note (b) below)	-	31	31	72
	789	**131**	**710**	**266**

a) Employee benefits

i) Gratuity

In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund maintained by Life Insurance Corporation.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement:

	As at 31 March 2020	As at 31 March 2019
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	838	846
Current service cost	126	109
Interest cost	45	48
Actuarial (gain)	(51)	(26)
Benefits paid	(105)	(139)
Exchange loss	6	-
Projected benefit obligation at the end of the year	**859**	**838**
Change in plan assets		
Fair value of plan assets at the beginning of the year	132	59
Employer contributions	140	205
Benefits paid	(104)	(139)
Actuarial gain	13	7
Fair value of plan assets at the end of the year	**181**	**132**
Reconciliation of present value of obligation on the fair value of plan assets to the liability recognised		
Present value of projected benefit obligation at the end of the year	859	838
Fair value of plan assets at the end of the year	181	132
Liability recognized in the balance sheet	**678**	**706**
Thereof		
Funded	181	132
Unfunded	678	706
Components of net gratuity costs are		
Current service cost	126	105
Interest cost	45	52
Total amount recognised in the income statement	**171**	**157**
Actuarial (gain)/loss	(64)	(33)
Total amount recognised in other comprehensive income	**(64)**	**(33)**
Net Gratuity costs	**107**	**124**
Principal actuarial assumptions used:		
Discount rate	6.51%/3.30%	6.65%
Long-term rate of compensation increase	6%/(4.5%)	8.00%
Expected rate of return on plan assets	7.27%	8%
Average remaining life (in years)	22.67/(18.77)	23
Attrition rate		
Upto 30 years	50%/(15%)	39.89%
31 to 44 years	33%/(15%)	32.50%
Above 44 years	20%/(15%)	20.30%

The Group assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Based on historical data, the Group expects contributions of ₹ 600 lakhs to be paid in 2020-21. The weighted average duration of the defined benefit obligation as at 31 March 2020 is 3/ 6 years (31 March 2019: 3 years).

Employee benefits - Maturity profile (Undiscounted)

Particulars	Less than a year	Between 2-5 years	Between 6-10 years	Over 10 years	Total
31 March 2020					
Defined benefit obligation	238	506	226	77	1,046
31 March 2019					
Defined benefit obligation	213	470	202	50	935

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2020.

	Attrition rate		Discount rate		Future salary	
	increases	Increase	increases	Increase	increases	Increases
31 March 2020						
> Sensitivity Level	50%/20%	50%/20%	1%	1%	1%	1%
> Impact benefit obligation	(32)	52	(31)	34	32	(31)
31 March 2019						
> Sensitivity Level	50%	50%	1%	1%	1%	1%
> Impact benefit obligation	(33)	56	(24)	25	24	(23)

(ii) Compensated absences

The liability in respect of the Group, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Group does not maintain any plan assets to fund its obligation towards compensated absences.

	Particulars	As at 31 March 2020	As at 31 March 2019
a)	**Employee benefits**		
	Principal actuarial assumptions used* :		
	Discount rate	5.10%/(3.30%)	6.65%
	Long-term rate of compensation increase	6%/(4.5%)	8.00%
	Attrition rate		
	Upto 30 years	50%/(15%)	39.89%
	31 to 44 years	33%/(15%)	32.50%
	Above 44 years	20%/(15%)	20.30%

* During the year one of the subsidiary, Inspirisys Solutions DMCC, UAE, (formerly Accel Frontline DMCC, Dubai) has made provision for gratuity and compensated absences for the first time in the current year, the assumptions used have been given in brackets).

b)	**Provision for warranty**		
	Balance at the beginning of the year	103	108
	Created during the year, net	-	-
	Utilised/reversed during the year	(72)	(5)
	Balance at the end of the year	**31**	**103**

A provision is recognized for expected warranty claims on supply of goods, based on past experience of level of repairs and returns. The current and non-current classification of the provision is made based on the remaining warranty period of the goods supplied as at the balance sheet date. The assumptions used to calculate the provision for warranties are based on the Group's current status of goods supplied that are under warranty and information available about expenditure more probable to be incurred based on the Group's warranty terms which provides for a warranty period of about 36 months.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

₹ in Lakhs

	Particulars	As at 31 March 2020	As at 31 March 2019
20	**Trade payables**		
	Total outstanding dues of micro and small enterprises*	49	4
	Total outstanding dues of creditors other than micro and small enterprises	5,664	10,921
		5,713	**10,925**
a)	**Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:**		
	i) Principal amount remaining unpaid	49	4
	ii) Interest due thereon	-	-
	iii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
	iv) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
	v) Interest accrued and remaining unpaid as at balance sheet date	-	-
	vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
		49	**4**

*The management has identified enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 and 31 March 2019 has been made in the financials statements based on information received and available with the Group. Further, the Group has not paid any interest to any micro and small enterprises during the current year and previous year.

		As at 31 March 2020	As at 31 March 2019
21	**Other financial liabilities**		
	Financial liabilities at amortised cost		
	Current		
	Current maturities of finance lease obligations (Also refer note 17)	17	4
	Current maturities of related party loan (Also refer note 17)	250	220
	Unpaid dividends	-	1
	Employee related payables	829	1,056
	Other accrued liabilities	2,565	1,726
	Total financial liabilities	**3,661**	**3,007**

Unpaid dividend included above represent amounts to be credited to the Investors Education and Protection Fund as and when they become due. There are no delays in transferring the amounts due for payment to the Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the balance sheet date.

22	**Other current liabilities**		
	Statutory dues	644	533
	Unearned revenue	4,112	5,173
		4,756	**5,706**

		Year ended 31 March 2020	Year ended 31 March 2019
23	**Revenue from operations**		
	Sale of goods (including excise duty)	16,445	27,751
	Sale of services	29,396	26,865
	Other operating income	8	25
	Revenue from operations (gross)	**45,849**	**54,641**

Inspirisys Solutions Limited (Formerly Accel Frontline Limited), First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010.
CIN: L30006TN1995PLC031736

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020

₹ in Lakhs

		Year ended 31 March 2020	Year ended 31 March 2019
24	**Other income**		
	Liabilities no longer required written back **	528	556
	Interest income from financial assets at amortised cost	51	112
	Unwinding of discount on deposits	48	6
	Bonus on maturity of keyman insurance	81	-
	Bad debts recovered	79	-
	Net gain on foreign currency transactions & translations	83	20
	Interest on income tax refund	35	-
	Other non-operating income	72	57
		977	**751**

** During the year, the management has assessed the long outstanding payables and accrued liabilities as at 31 March 2020 and in the absence of any claims made by these vendors for a period exceeding 3 years, the liabilities were written back to the statement of profit and loss amounting to ₹ 528 lakhs (31 March 2019: ₹ 556 lakhs).

		Year ended 31 March 2020	Year ended 31 March 2019
25	**Cost of raw materials consumed**		
	Opening stock (Net of provision)	44	14
	Add : Purchases during the year	228	175
	Less: Closing stock (Net of provision)	(47)	(44)
		225	**145**
26	**Purchases of stock-in-trade & stores and spares**	15,109	26,539
		15,109	**26,539**
27	**Changes in inventories of stock-in-trade and stores and spares**		
	Opening stock:		
	Stock-in-trade	429	948
	Stores and spares	1,225	968
	Less: Provision for inventories	(437)	(404)
		1,217	**1,512**
	Closing stock:		
	Stock-in-trade	67	429
	Stores and spares	1,243	1,225
	Less: Provision for inventories	(361)	(437)
		949	**1,217**
	Add: Other adjustments	20	16
	Net decrease in inventories	**288**	**311**
28	**Employee benefits expense**		
	Salaries and wages	11,748	12,336
	Gratuity expense (Also refer note 19)	171	157
	Contribution to provident and other defined contribution funds	570	756
	Staff welfare expenses	101	110
		12,590	**13,359**
29	**Impairment losses**		
	Allowances for credit loss in trade receivables	301	185
	Impairment of goodwill (Also refer note below)	289	414
		590	**599**

The Group had a goodwill of ₹ 289 Lakhs relating to acquisition of a subsidiary named Network Programs (USA) Inc., USA. The Management of the Group, after continuous effort to turnaround the business and make it profitable, is of the view that revival of the business for the subsidiary is not feasible and in order to reduce further losses from being incurred the operations of the subsidiary has been suspended in the year ended 31 March 2020. Consequent to this, the management has impaired ₹ 289 Lakhs towards value of goodwill during the current year.

The Group had a goodwill of ₹ 414 Lakhs relating to acquisition of a subsidiary named Inspirisys Solutions IT Resources Limited (formerly known as "Accel IT Resources Limited"). The Management of the Group, suspended the operations of the subsidiary during the year ended 31 March 2019 as it was not possible to revive the business. Consequent to this the management has impaired ₹ 414 Lakhs towards value of goodwill during the previous year. The Group observed that the subsidiary is yet to revive as at 31 March 2020 and hence, the impairment of the goodwill was not reversed during the current year.

		Year ended 31 March 2020	Year ended 31 March 2019
30	**Other expenses**		
	Sub-contracting and outsourcing cost	10,737	6,573
	Rent (Also refer note 18 and 35)	633	1,112
	Legal and professional fees	1,248	1,289
	Travelling and conveyance	700	776
	Freight and forwarding	242	360
	Communication expenses	253	298
	Repairs and maintenance		
	Leased premises	377	247
	Equipment's	6	5
	Others	85	67
	Power and fuel	207	198
	Insurance	147	115
	Rates and taxes	106	136
	Printing and stationery	54	70
	Payments to auditors*		
	Statutory audit	43	37
	Limited review	5	5
	Reimbursement of expenses	1	2
	Directors' sitting fees	16	18
	Management fee (Also, refer note 36(b)	92	-
	Exchange differences (net)	-	40
	Loss on sale of property, plant and equipment and intangible assets	-	11
	Advertising and sales promotion	-	82
	Miscellaneous expenses	324	299
		15,276	**11,740**

** excluding applicable taxes*

		Year ended 31 March 2020	Year ended 31 March 2019
31	**Finance costs**		
	Interest expenses	1,271	1,638
	Other borrowing costs	63	134
	Exchange difference regarded as adjustment to borrowing cost	81	53
		1,414	**1,825**
32	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment (Also refer note 4)	252	453
	Amortization of intangible assets (Also refer note 4)	156	16
	Depreciation of right to use assets (Also, refer note 5)	373	-
		781	**469**

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33 Income taxes

The major components of income tax expense for the year ended 31 March 2020 and 31 March 2019 are: The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 16.69% (2018-19: 21.55%) and the reported tax expense in the statement of profit and loss are as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
Accounting profit/ (loss) before taxes	553	405
Enacted tax rates	16.69%	21.55%
Tax on profit at enacted tax rate	92	87
Adjustments:		
Tax impact on the following items :		
- Tax portion relating to loss of subsidiaries	-	-
- Tax impact relating to subsidiaries losses	56	28
- Expenses not deductible for tax	164	223
Actual tax expense	**312**	**338**
Current tax	**312**	**338**
Tax expense reported in the statement of profit and loss	**312**	**338**

**The effective tax rate considered is 16.69% (previous year 21.55%) because the Company is subject to minimum alternate tax in the current and previous year. The subsidiaries have incurred losses during the current and previous year, accordingly there is no tax expenses.

The Group has evaluated the impact of "Appendix C to Ind AS-12: Uncertainty over Income Tax Treatments'' and it was concluded that it is not probable that the taxation authority will accept uncertain tax treatment. Hence, the probable impact on account of the same was determined prudently based on the management's estimate and judgement to the tune of ₹ 18 lakhs. The major judgements and estimates are involved with respect to assessment of the mostly likely outcome relating to the following uncertain tax treatment:

a) Expenses relating to application software

b) Expenses relating to prior period item

c) Expenses relating to 14A expenditure

d) Amount deductible under section 80IB of the Income Tax Act

The appendix has been applied retrospectively with the cumulative effect of initially applying the effect of the changes being recognised in the opening balance of retained earnings without adjusting comparative information.

	Year ended 31 March 2020	Year ended 31 March 2019
34 Earnings per share		
Nominal value of equity shares (in ₹)	10	10
Profit attributable to equity shareholders (A)	241	67
Weighted average number of equity shares outstanding during the year (B)	3,84,02,734	2,97,73,462
Basic and diluted earnings per equity share (A/B) (in ₹)	0.63	0.23

35 Leases

The Company has lease contracts for office premises and these lease contracts are cancellable/ renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116 .

Lease expense during the year, representing the minimum lease payments	633	1,112

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

36 Related parties

a) Names of related parties and nature of relationship

Name of related party	Nature of relationship
CAC Holding Corporation, Tokyo, Japan	Holding company
CAC Corporation, Tokyo, Japan	Fellow subsidiary
CAC America Corporation	Fellow subsidiary
Malcolm F. Mehta, Chairman and Chief Executive Officer	Key Management Personnel (KMP)
Murali Gopalakrishnan Chief Financial Officer	Key Management Personnel (KMP)
S Sundaramurthy, Company Secretary	Key Management Personnel (KMP)
Rajesh Ramniklal Muni	Independent director
Ruchi Naithani	Independent director
Raj Khalid	Independent director
Bin Cheng (resigned on 07.11.2019)	Non Independent, Non Executive director
Koji Iketani (appointed on 19.06.2019)	Non Independent, Non Executive director
M S Jagan (appointed on 07.02.2020)	Independent director

b) Transactions with related parties

Name of the related party	Year ended 31 March 2020	Year ended 31 March 2019
Sale of services		
CAC Holdings Corporation, Tokyo, Japan	149	135
CAC Corporation, Tokyo, Japan	395	1,334
CAC America Corporation	116	40
Interest expense		
CAC Holdings Corporation, Tokyo, Japan	373	341
Reimbursements		
CAC Holdings Corporation, Tokyo, Japan	288	256
CAC Corporation, Tokyo, Japan	122	142
Remuneration*		
Malcolm F Mehta #	274	256
Murali Gopalakrishnan	80	64
S Sundaramurthy	21	19
Raj Khalid	6	6
Rajesh Ramniklal Muni	5	6
Ruchi Naithani	5	6
Management Fees		
CAC Corporation, Tokyo, Japan	92	-
Sub-contracting and outsourcing cost		
CAC Holdings Corporation, Tokyo, Japan	7	21
CAC Corporation, Tokyo, Japan	71	134

*Gratuity and Compensated absences are being provided based on actuarial valuation performed for the Company as a whole and accordingly is not identifiable separately for the KMPs.

Payment to Mr. Malcolm F. Mehta is reimbursed by CAC Holdings Corporation, Tokyo, Japan.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

c) **Balance with related parties**

Name of the related party	As at 31 March 2020	As at 31 March 2019
Advances		
CAC Holdings Corporation, Tokyo, Japan	-	2
Loans Payable		
CAC Holdings Corporation, Tokyo, Japan	5,979	5,369
Trade receivables		
CAC Holdings Corporation, Tokyo, Japan	-	74
CAC Corporation, Tokyo, Japan	33	103
CAC America Corporation	13	14
Guarantee received		
CAC Holdings Corporation, Tokyo, Japan	28,504	26,797
Payables		
CAC Holdings Corporation, Tokyo, Japan	-	36
CAC Corporation, Tokyo, Japan	10	21

Maximum balances outstanding during the year in accordance with Schedule V of SEBI (LODR) Regulations, 2015

Name of the related party	Year ended 31 March 2020		Year ended 31 March 2019	
	Loans received	Advances / Amounts recoverable	Loans received	Advances / Amounts recoverable
CAC Holding Corporation, Tokyo, Japan	5,979	27	5,558	27
CAC Corporation, Tokyo, Japan	-	1	-	1

37 Fair value measurement

a) **Financial instruments by category**

	As at 31 March 2020		Fair value@	As at 31 March 2019		Fair value@
	Amortized cost@	Total carrying value		Amortized cost@	Total carrying value	
Financial assets						
Trade receivables	15,006	13,313	13,313	22,314	20,721	20,721
Cash and cash equivalents	1,538	1,538	1,538	1,180	1,180	1,180
Bank balances	833	833	833	966	966	966
Other financial assets	1,005	974	974	996	965	965
Total financial assets	**18,382**	**16,658**	**16,658**	**25,456**	**23,832**	**23,832**
Financial liabilities						
Borrowings	13,003	13,003	13,003	17,556	17,556	17,556
Lease liabilities#	892	892	892	-	-	-
Trade payables	5,713	5,713	5,713	10,925	10,925	10,925
Other financial liabilities	3,661	3,661	3,661	3,007	3,007	3007
Total financial assets	**23,270**	**23,270**	**23,270**	**31,488**	**31,488**	**31,488**

@ Management considers amortised cost for financial asset and liabilities to approximate the fair value. The Group does not have any assets measured at FVPL or FVOCI.

Refer Note 18 to summary of significant accounting policies for non disclosure of comparatives.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

b) Fair value measurement hierarchy

The Group records certain financial assets and financial liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Group holds certain financial assets which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

> Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

> Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

> Level 3: Unobservable inputs for the asset or liability.

Investment in Telesis Global Solutions Limited, India is valued at the amount invested as sufficient more recent information is not available to measure fair value and the cost is considered to be the best estimate of the fair value for these securities. The management had impaired the investment hence there is no carrying value for this investment.

c) Interest-bearing loans and borrowings:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) Interest-bearing loans and borrowings:		
Floating rate borrowings	5,979	5,369
Fixed rate borrowings	7,041	12,187

The fair values of the Group's interest-bearing borrowings and loans are determined under amortised cost method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. These rates are considered to reflect the market rate of interest and hence the carrying value are considered to be at fair value.

Loans, cash and bank balances, trade receivables, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

38 Financial risk management

The Group's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its and group companies operations. The Group's principal financial assets include loans, trade and other receivables, investments, cash and deposits that derive directly from its operations.

The Group is exposed to market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management assesses the financial risks and the appropriate financial risk governance framework in accordance with the Group's policies and risk objectives. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

a) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Group did not have any floating rate borrowings expect for the borrowings from the Holding Group which is charged at LIBOR + 4%

c) Interest rate sensitivity

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 1% for the year ended 31 March 2020 and 31 March 2019. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Particulars	Interest rate fluctuation	Profit before tax for the Year ended 31 March 2020	Year ended 31 March 2019
Increase in interest rate / (Decrease) in profit for the year	+1%	(59.79)	(53.69)
(Decrease) in interest rate / Increase in profit for the year	-1%	59.79	53.69

d) Foreign currency risk

Most of the Group's transactions are carried out in Indian rupees. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD), United Arab Emirates dirham (AED) and Great Britain Pound (GBP). The Group's foreign currency exposure is predominantly against the group and related entities.

Foreign currency denominated financial assets and financial liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate:-

Particulars	Foreign currency exposure (in ₹ Lakhs)		
	USD	GBP	AED
31 March 2020			
Financial assets	1,621	18	3
Financial liabilities	5,306	-	-
31 March 2019			
Financial assets	3,186	78	4
Financial liabilities	4,149	-	-

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this disclosure, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The following table illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities and the USD/₹ exchange rate, AED/₹ exchange rate and GBP/₹ exchange rate, 'all other things being equal'. It assumes a +/- 1% change of the USD/₹ exchange rate for the year ended at 31 March 2020 (31 March 2019: 1%), +/- 1% change of the AED/₹ exchange rate for the year ended 31 March 2020 (31 March 2019: 1%) and a +/- 1% change is considered for the GBP/₹ exchange rate for the year ended at 31 March 2020 (31 March 2019: 1%).

If the ₹ had strengthened against the USD by 1% during the year ended 31 March 2020 (31 March 2019: 1%), AED by 1% during the year ended 31 March 2020 (31 March 2019: 1%) and GBP by 1% during the year ended 31 March 2020 (31 March 2019: 1%) respectively then this would have had the following impact on profit before tax and equity before tax:

Particulars		Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax			
USD	+1%	(36.85)	(9.64)
GBP	+1%	0.33	0.78
AED	+1%	0.18	0.45
Profit before tax			
USD	-1%	36.85	9.64
GBP	-1%	(0.33)	(0.78)
AED	-1%	(0.18)	(0.45)

If the ₹ had weakened against the USD by 1% during the year ended 31 March 2020 (31 March 2019: 1%) and GBP by 1% during the year ended 31 March 2020 (31 March 2019: 1%) respectively then there would an equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

e) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example trade receivables, placing deposits, investment etc. the Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting period, as summarised below:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Classes of financial assets		
Trade receivables	13,313	20,721
Cash and bank balance	2,371	2,146
Other Financials assets	974	965

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and bank balances are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprises of rental deposits and security deposits which are given to landlords or other governmental agencies in relation to contracts executed and are assessed by the Group for credit risk on a continuous basis.

f) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and bank's short term credit facilities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. Cash flows from trade receivables are all contractually due within twelve months except for retention and long term trade receivables which are governed by the relevant contract conditions.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short-term borrowings. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

As at 31 March, the Group's non-derivative financial liabilities have contractual maturities as summarised below:

As at 31 March 2020			
Particulars	**Within 6 months**	**6 to 12 months**	**1 to 5 years**
Borrowings	6,970	9	6,042
Lease Liabilities	197	97	783
Trade and other payables	5,713	-	-
Other financial liabilities	3,661	-	-
As at 31 March 2019			
Borrowings	3,407	8,981	5,168
Trade and other payables	10,925	-	-
Other financial liabilities	3,007	-	-

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

39 Segment reporting

a) Identification of Segments :

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

The Company's principal lines of business is IT services which includes, providing system integration (SI) Products / Hardware solutions comprising network design, hardware and software, Services which comprises of IT Infrastructure management solutions, software development, Security, Cloud Services and support and warranty management solutions (WMS) for imported and indigenous equipments, development, implementation and maintenance of software applications.

Year ended 31 March, 2020

Particulars	SI	Service	WMS	Training	Unallocated	Total
Revenue						
External sales	16,445	27,475	1,929	-	-	45,849
Total revenue from operations	**16,445**	**27,475**	**1,929**	**-**	**-**	**45,849**
Results						
Segment result	(564)	3,560	74	(8)	-	3,062
Unallocated corporate expenses	-	-	-	-	(2,072)	(2,072)
Operating profit/(loss)	**(564)**	**3,560**	**74**	**(8)**	**(2,072)**	**990**
Interest and finance charges	-	-	-	-	(1,414)	(1,414)
Unallocated income	-	-	-	-	977	977
Profit/(loss) before tax	**(564)**	**3,560**	**74**	**(8)**	**(2,509)**	**553**
Income taxes	-	-	-	-	312	312
Profit/(loss) for the year	**(564)**	**3,560**	**74**	**(8)**	**(2,821)**	**241**
Other information						
Segment assets	4,924	16,083	874	42	-	21,923
Unallocated corporate assets	-	-	-	-	8,787	8,787
Total assets	**4,924**	**16,083**	**874**	**42**	**8,787**	**30,710**
Segment liabilities	4,989	10,283	621	2	-	15,895
Unallocated corporate liabilities	-	-	-	-	13,051	13,051
Total liabilities	**4,989**	**10,283**	**621**	**2**	**13,051**	**28,946**
Capital expenditure	45	233	53	-	164	495
Depreciation and amortization	90	222	75	-	394	781
Other non cash expenditure, net	130	770	53	-	102	1,055

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Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

Year ended 31 March, 2019

Particulars	SI	Service	WMS	Training	Unallocated	Total
Revenue						
External sales	27,751	24,601	2,274	15	-	54,641
Total revenue from operations	**27,751**	**24,601**	**2,274**	**15**	**-**	**54,641**
Results						
Segment result	(255)	3,482	113	(121)	-	3,219
Unallocated corporate expenses	-	-	-	-	(1,740)	(1,740)
Operating profit/(loss)	**(255)**	**3,482**	**113**	**(121)**	**(1,740)**	**1,479**
Interest and finance charges	-	-	-	-	(1,825)	(1,825)
Unallocated income	-	-	-	-	751	751
Profit/(loss) before tax	**(255)**	**3,482**	**113**	**(121)**	**(2,814)**	**405**
Income taxes	-	-	-	-	338	338
Profit/(loss) for the year from continuing operations	**(255)**	**3,482**	**113**	**(121)**	**(3,152)**	**67**
Other information						
Segment assets	11,129	19,922	800	50	-	31,901
Unallocated corporate assets	-	-	-	-	5,107	5,107
Total assets	**11,129**	**19,922**	**800**	**50**	**5,107**	**37,008**
Segment liabilities	10,092	14,124	1,180	7	-	25,403
Unallocated corporate liabilities	-	-	-	-	12,767	12,767
Total liabilities	**10,092**	**14,124**	**1,180**	**7**	**12,767**	**38,170**
Capital expenditure	63	59	15	-	35	172
Depreciation and amortization	66	261	82	6	54	469
Other non cash expenditure, net	189	129	25	6	705	1,054

b) Geographical information

The company is domiciled in India. The amount of its revenue from external customers and non-current assets other than financial instruments, and deffered tax assets, broken down by location of the assets, is shown below:

Particulars	31 March 2020			31 March 2019		
	India	Rest of World	Total	India	Rest of World	Total
Revenue	31,139	14,710	45,849	36,841	17,800	54,641
Non current assets	7,439	206	7,645	6,508	487	6,995

c) Customer information

Revenue from two customers amounting to ₹ 12,682 (31 March 2019: ₹ 13,827), arising from sales in the system integration (FY 2019-20: ₹ 9,325; FY 2018-19 ₹ 12,328): and services segment (FY 2019-20: ₹ 3,357; FY 2018-19: ₹ 1,499)

	As at 31 March 2020	As at 31 March 2019
40 Contingent liabilities		
Sales tax	476	236
Service tax	-	24
Income tax	1,717	770
Customs duty	236	236
Provident fund	184	184
Others	189	188
	2,802	**1,638**

41 Commitments

The Group did not have any capital commitments as at the balance sheet date (Previous year: Nil). Other commitments are canellable at the option of the company and hence not disclosed.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2020 ₹ in Lakhs

42 Corporate Social Responsibility

Amount required to be spent as per section 135 of the Act 1 -

	Date	In cash	Yet to be paid	Total
For the Year ended 31 March 2020				
On Construction/acquisition of any asset		-	-	-
On purposes other than as specified above	17 April, 2020	1	-	1
For the Year ended 31 March 2019*				
On Construction/acquisition of any asset		-	-	-
On purposes other than as specified above		-	-	-

* A CSR Committee has been formed by the Company as per the Act during the year. the Company is not required to spend any amount on CSR activities till previous year, since the average net profit calculation as per Section 198 of the Companies Act, 2013 was negative.

43 Events after the reporting period

COVID-19, the novel coronavirus pandemic has spread rapidly across the globe including India. World Health Organization (WHO) declared the outbreak a global pandemic. The fall out of COVID-19 outbreak on economic activity disrupted businesses across manufacturing and services sectors during the quarter ended March 31, 2020. The Government has introduced several measures to contain the spread of the virus to protect lives and livelihood. As part of the measure, the Indian Government announced a complete lockdown on 24th March, 2020. The Group had to scale down or shut down its operations in many of our locations in India from the second half of March 2020. The wholly owned overseas subsidiaries have also scaled down / shutdown its operations over various periods during this quarter. The duration of this lockdown across various geographies is currently uncertain and operations to resume normalcy will entirely depend upon the respective Government regulations. This has impacted the sales performance in various geographies. However, we continue to monitor the situation and appropriate action is taken as deemed necessary to resume operations, whilst complying with the Government regulations. Operations have since resumed in a staggered manner beginning June 2020 with adequate precautions being taken in accordance with Government guidelines. The impact of COVID-19 on the Group operations and financial performance is completely dependent on the developments in the near future, which under the current circumstances is highly uncertain. As per our current assessment the Group does not expect any significant impact on carrying value of inventories, intangible assets, trade receivables and investments (other than those impaired) as at March 31, 2020 and we continue to monitor changes in future economic conditions. The management is of the view that the impact of COVID-19 may be different from those estimated as on the date of approval of these financial statements.

44 Additional information as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiary

Name of enterprises	As % of consolidated net assets	Net assets	As % of consolidated profit or loss	Share of profit or loss	As % of consolidated OCI	Share of OCI	As % of total comprehensive income	Total comprehensive income
Parent								
Inspirisys Solutions Limited	410%	7,236	274%	659	(15%)	53	(636%)	712
Indian subsidiary								
Inspirisys Solutions IT Resources Limited	2%	34	(3%)	(8)	-	-	8%	(8)
Foreign subsidiary								
Inspirisys Solutions DMCC	(89%)	(1,575)	28%	67	-	-	(59%)	67
Inspirisys Solutions Japan Kabushiki Kaisha	(69%)	(1,221)	(82%)	(196)	-	-	176%	(196)
Network Programs (USA) Inc.,	(24%)	(417)	(9%)	(22)	-	-	20%	(22)
Inspirisys Solutions North America Inc., USA	(108%)	(1,900)	(139%)	(334)	-	-	298%	(334)
Inspirisys Solutions Europe Limited, UK	(14%)	(248)	(22%)	(52)	-	-	46%	(52)
Adjustments arising on consolidation	(8%)	(145)	53%	128	115%	(406)	248%	(278
	100%	**1,764**	**100%**	**241**	**100%**	**(353)**	**100%**	**(112)**

Notes 1 to 44 form an integral part of these consolidated financial statements

In terms of our report attached.

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 11 June 2020

For and on behalf of the Board of Directors of

Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited")

Malcolm F. Mehta
Chairman & Chief Executive Officer
DIN: 03277490

Rajesh Ramniklal Muni
Director
DIN: 00193527

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai / Mumbai
Date : 11 June 2020

NOTES

NOTES

Inspirisys Solutions Limited (Formerly Accel Frontline Limited), First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010.
CIN: L30006TN1995PLC031736

INSPIRISYS SOLUTIONS LIMITED
(Formerly Accel Frontline Limited)
First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63,
Taylors Road, Kilpauk, Chennai - 600 010.
Tel: 044 - 4225 2000
Email: sundaramurthy.s@inspirisys.com
Website: www.inspirisys.com
CIN : L30006TN1995PLC031736

Inspirisys Solutions Limited

(Formerly Accel Frontline 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, 2020.

(Rs. In lacs except earnings per share)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 { 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**	35,403	35,403
	2.	**Total Expenditure**	34,746	34,746
	3.	**Net profit after tax**	657	657
	4.	**Earnings Per Share**	1.72	1.72
	5.	**Total Assets**	28,244	28,244
	6.	**Total Liabilities**	21,011	21,011
	7.	**Net Worth**	7,233	7,233
	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 7 C to the standalone financial statements (also refer to Note no 7 to the Statement of Financial Results for the year and the quarter ended 31 March 2020 as per Reg 33 of SEBI LODR) , the company has an amount of INR 3,080 Lakhs outstanding as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, USA as at 31 March 2020 which are significantly over-due. 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 standing receivables under Ind AS 109, Financial Instruments. 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 2020, and the consequential impact thereof, if any, on the accompanying financial statements.	Qualified Opinion	First Time

MALCOLM FARROKH MEHTA — Digitally signed by MALCOLM FARROKH MEHTA Date: 2020.06.11 16:42:01 +05'30'

RAJESH RAMNIKLAL MUNI

MURALI GOPALAKRISHNAN — Digitally signed by MURALI GOPALAKRISHNAN Date: 2020.06.11 16:44:03 +05'30'

	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:**	Not 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:	The Company has a trade receivable of Rs 3,080 Lacs as on March 31, 2020 from one of its subsidiary company Inspirisys Solutions North America, Inc (ISNA). The balance reflects accumulation of receivables since 2016-17. ISNA Inc the wholly owned subsidiary of Inspirisys Solutions Ltd (ISL), India is the marketing arm for the offshore services offered and delivered to the US customers of ISNA from ISL India. ISNA has also been working with customers in North America and have been engaging them for onsite business in the USA. The trade receivables in the books of ISL India represents services performed and billed to 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 cashflows/profits to settle the dues towards ISL 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 and are hopeful of collecting the dues from the company.
		(iii) Auditor's Comments on (i) or (ii) above:	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 2020 and consequent impact on the financial statements for the year ended 31 March 2020.

MALCOLM FARROKH MEHTA
Digitally signed by MALCOLM FARROKH MEHTA
Date: 2020.06.11 16:42:41 +05'30'

RAJESH RAMNIKLAL MUNI
Digitally signed by RAJESH RAMNIKLAL MUNI
DN: c=IN, o=Personal, cn=RAJESH RAMNIKLAL MUNI,
serialNumber=4105f83ce2b3de88e955e4b79de15a34939af6b0b07a21b906ec4d6e58446a1b,
postalCode=400051,
2.5.4.20=c0a7fc8f4a434ac772849d1c5477300ae7a45cdc70c772f3ff90326fb435a1dd, st=Maharashtra
Date: 2020.06.11 17:03:52 +05'30'

MURALI GOPALAKRISHNAN
Digitally signed by MURALI GOPALAKRISHNAN
Date: 2020.06.11 16:44:30 +05'30'

III **Signed by:**

For **Walker Chandiok & Co LLP**
Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sumesh E S
Partner
Membership No. 206931

Place: Chennai
Date: 11 June 2020

For and on behalf of the Board of Directors of
Inspirisys Solutions Limited
(Formerly **Accel Frontline Limited**)

MALCOLM FARROKH MEHTA
Digitally signed by MALCOLM FARROKH MEHTA
Date: 2020.06.11 16:42:59 +05'30'

Malcolm F. Mehta
Chairman & Chief Executive Officer

RAJESH RAMNIKLAL MUNI
Digitally signed by RAJESH RAMNIKLAL MUNI
DN: c=IN, o=Personal, cn=RAJESH RAMNIKLAL MUNI,
serialNumber=4105f83ce2b3de88e955e4b79de15a34939af6b0b07a21b906ec4d6e58446a1b, postalCode=400051,
2.5.4.20=c0a7fc8f4a434ac772849d1c5477300ae7a45cdc70c772f3ff90326fb435a1dd,
st=Maharashtra
Date: 2020.06.11 17:05:08 +05'30'

Rajesh Ramniklal Muni
Chairman of Audit Committee

MURALI GOPALAKRISHNAN
Digitally signed by MURALI GOPALAKRISHNAN
Date: 2020.06.11 16:44:52 +05'30'

Murali Gopalakrishnan
Chief Financial Officer

Place: Chennai / Mumbai
Date: 11 June 2020

Nagaraj

From: Sarita Mote <SaritaM@nsdl.co.in>
Sent: Friday, August 21, 2020 12:04 PM
To: Nagaraj
Cc: Pallavi Mhatre; Soni Singh; Pratik Bhatt; Amit Vishal; Sivapazham P. A.; Bandam Srinivas; 'Sundaramurthy S'
Subject: RE: [External] RE: 25th Annual General Meeting of Inspirisys Solutions Limited to be held on Wednesday, 16th September, 2020 at 03:00 PM through video conferencing ('VC') / other audio visual means ('OAVM').

Dear Sir/Madam,

We refer to the electronic voting facility provided by NSDL in respect of ensuing Annual General Meeting of Inspirisys Solutions Limited (EVEN : 113440)

In this regard, we wish to confirm that the email communication has been sent to 5494 Shareholders on August 21 ,2020.

This is for your information and records.

For further information, the bounce cases file will be kept in RTA data path after T+2 days. You are requested to refer RTA login for the same.

NSDL
Technology, Trust & Reach

Sarita Mote | Assistant Manager | National Securities Depository Ltd.
(+ 91 22 24994890 | ✉ SaritaM@nsdl.co.in | www.nsdl.co.in)

From: Sarita Mote
Sent: 20 August 2020 17:42
To: 'Nagaraj'
Cc: Pallavi Mhatre; Soni Singh; Pratik Bhatt; Amit Vishal; Sivapazham P. A.; Bandam Srinivas; 'Sundaramurthy S'
Subject: RE: [External] RE: 25th Annual General Meeting of Inspirisys Solutions Limited to be held on Wednesday, 16th September, 2020 at 03:00 PM through video conferencing ('VC') / other audio visual means ('OAVM').

Noted

From: Nagaraj [mailto:nagaraj.v@inspirisys.com]
Sent: 20 August 2020 17:33
To: Sarita Mote
Cc: Pallavi Mhatre; Soni Singh; Pratik Bhatt; Amit Vishal; Sivapazham P. A.; Bandam Srinivas; 'Sundaramurthy S'
Subject: [External] RE: 25th Annual General Meeting of Inspirisys Solutions Limited to be held on Wednesday, 16th September, 2020 at 03:00 PM through video conferencing ('VC') / other audio visual means ('OAVM').

Madam