

ISL/SS/SE/30/2023-2024
8th August, 2023

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

Dear Sir / Madam,

Sub: Outcome of the Board Meeting.

With reference to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we wish to inform you that, as required in terms of Regulation 30, 33 and other applicable provisions of Listing Regulations, the Board of Directors of Inspirisys Solutions Limited at its meeting held on 8th August, 2023 has inter alia

1. Considered and approved the Standalone and Consolidated Unaudited Financial Results for the quarter ended 30th June, 2023 on the recommendation of the Audit Committee.
2. A copy of the Limited Review Report from the Auditors for the period ended 30th June, 2023.

It is further informed that the Board Meeting commenced at 12:15 PM and ended at 4:45 PM.

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

For Inspirisys Solutions Limited



S.Sundaramurthy
Company Secretary & Compliance Officer



Encl: as above

Inspirisys Solutions Limited

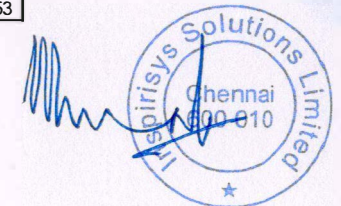
Regd Office : First Floor, Dowlath Towers, New Door Nos 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai 600 010

CIN No: L30006TN1995PLCO31736

Statement of unaudited standalone financial results for the quarter ended 30 June 2023

(₹ in Lakhs)

S.No	Particulars	Standalone			
		Quarter ended		Year ended	
		30 June 2023	31 March 2023	30 June 2022	31 March 2023
		(Unaudited)	(Audited (refer note 2))	(Unaudited)	(Audited)
1	Revenue from operations	8,207	9,708	7,901	35,521
2	Other income	24	152	116	480
3	Total income (1+2)	8,231	9,860	8,017	36,001
4	Expenses				
	Cost of raw materials consumed	-	-	1	4
	Purchases of stock-in-trade	2,106	2,963	2,144	10,881
	Changes in inventories of stock-in-trade and finished goods	(186)	42	(67)	68
	Employee benefits expense	2,594	2,463	2,381	9,905
	Impairment losses	80	(15)	118	140
	Other expenses	2,819	2,979	2,803	11,589
5	Total expenses	7,413	8,432	7,380	32,587
6	Profit before finance cost, depreciation and amortization expenses (3-5)	818	1,428	637	3,414
	Finance costs	152	142	175	650
	Depreciation and amortization expenses	130	174	103	558
7	Profit before tax	536	1,112	359	2,206
8	Tax expense				
	a) Current tax	118	188	83	411
	b) Deferred tax	-	-	-	-
9	Profit for the period / year (7-8)	418	924	276	1,795
10	Other comprehensive income				
	i) Items that will not be reclassified to profit or loss				
	- Re-measurements losses on defined benefit plans	(5)	(8)	5	(78)
	- Income tax relating to items that will not be reclassified to profit or loss	1	2	(1)	22
	ii) Items that will be reclassified to profit or loss				
	- Exchange difference on translation of foreign operations	-	9	30	64
	- Income tax relating on translation of foreign operations	-	(2)	(9)	(18)
11	Other comprehensive income for the period / year, net of tax	(4)	1	25	(10)
12	Total comprehensive income for the period / year (9+11)	414	925	301	1,785
13	Paid up equity share capital	3,962	3,962	3,962	3,962
14	Other equity				5,033
15	Earnings per equity share				
	Basic and Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	1.05	2.33	0.70	4.53



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CIN No: L30006TN1995PLCO31736

Statement of unaudited consolidated financial results for the quarter ended 30 June 2023

(₹ in Lakhs)

S.No	Particulars	Consolidated			
		Quarter ended		Year ended	
		30 June 2023	31 March 2023	30 June 2022	31 March 2023
		(Unaudited)	(Audited (refer note 2))	(Unaudited)	(Audited)
1	Revenue from operations	9,112	10,502	8,915	39,035
2	Other income	29	135	114	487
3	Total income (1+2)	9,141	10,637	9,029	39,522
4	Expenses				
	Cost of raw materials consumed	1	-	1	4
	Purchases of stock-in-trade	2,350	3,027	2,317	11,371
	Changes in inventories of stock-in-trade and finished goods	(186)	42	(67)	68
	Employee benefits expense	3,238	3,094	3,162	12,447
	Impairment losses	305	299	118	454
	Other expenses	3,213	3,496	3,311	13,383
5	Total expenses	8,921	9,958	8,842	37,727
6	Profit before finance cost, depreciation and amortization expenses (3-5)	220	679	187	1,795
	Finance costs	290	261	264	1,078
	Depreciation and amortization expenses	130	174	104	560
7	Profit / (loss) before tax	(200)	244	(181)	157
8	Tax expense				
	a) Current tax	118	188	83	411
	b) Deferred tax	-	-	-	-
9	Profit / (loss) for the period / year (7-8)	(318)	56	(264)	(254)
10	Other comprehensive income				
	i) Items that will not be reclassified to profit or loss				
	- Re-measurements losses on defined benefit plans	(5)	(14)	5	(84)
	- Income tax relating to items that will not be reclassified to profit or loss	1	2	(1)	22
	ii) Items that will be reclassified to profit or loss				
	- Exchange difference on translation of foreign operations	151	27	(160)	(582)
	- Income tax relating on translation of foreign operations	-	(2)	(9)	(18)
11	Other comprehensive income for the period / year, net of tax	147	13	(165)	(662)
12	Total comprehensive income for the period / year (9+11)	(171)	69	(429)	(916)
13	Paid up equity share capital	3,962	3,962	3,962	3,962
14	Other equity				(4,799)
15	Earnings / (loss) per equity share				
	Basic and Diluted (in ₹) (Face value of ₹ 10 each) (Not annualised)	(0.80)	0.14	(0.67)	(0.64)



Note

- 1 The above financials results was reviewed by the Audit Committee and approved by the Board at its meeting held on 08 August 2023. The Standalone and consolidated financial results are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (IndAS) 34, Interim Financial Reporting, as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and in terms of regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended.
- 2 With respect to Standalone and Consolidated financial results, the figure for the quarter ended 31 March 2023 represents the difference between the audited figure in respect of full financial year and published figure for the nine months ended 31 December 2022, which were subject to limited review by the auditors.
- 3 The Company has a trade receivable of ₹ 4,040 Lakhs as on 30 June 2023 from one of its subsidiary company Inspirisys Solutions North America, Inc (ISNA). The aforesaid balance reflects accumulation of receivables since 2016-17 and comprises of foreign currency receivable pending for settlement beyond the stipulated period as permitted under the Foreign Exchange Management, Act 1999 (as amended). ISNA the wholly owned subsidiary of Inspirisys Solutions Limited (ISL), India is the marketing arm for the offshore services offered and delivered to the US customers of ISNA from ISL India. ISNA has been working with customers in North America and have been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represents services performed and billed on ISNA over the years in respect of offshore services for the clients of ISNA. The Management is working on turning around the business performance of ISNA and are hopeful of generating profits to pay ISL India against the trade receivables and to this effect have drawn up business plans for the subsidiary for the next few years. In view of the above, the Management considers not making any provision towards any expected credit loss against these accounts receivable from ISNA including GST liability if any on such export receivables together with interest thereon as we are hopeful of collecting the dues from ISNA. The impact of non-compliance with Clause C.20 of the Master Direction – Export of Goods and Services (Updated as on November 22, 2022) for non-realization of export proceeds within stipulated timeline has been determined to be immaterial to the financial results.
- 4 During the year 2021-22, the Company has received a show cause notice from SEBI under sections 11(1), 11(4), 11(4A), 11 B(1) and 11 B(2) read with 15HA and 15HB of the Securities Exchange Board of India Act, 1992, and Rule 4(1) of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and Sections 12A(1), 12A(2) read with 23E and 23H of the Securities Contracts (Regulation) Act, 1956 and Rule 4(1) of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 in the matter of alleged mis-representation of financials / manipulation of books of accounts of Inspirisys Solutions Limited, in relation to FY 2012-13 to FY 2015-16. The Company's management has engaged legal counsel and has been evaluating the options that are available for the company to pursue. The Company's management believes that such alleged violations will not have any material impact in the financial results of the period under consideration.
- 5 The Company publishes standalone financial results along with the consolidated financial results. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the interim consolidated financial results. Accordingly, the segment information is given in the consolidated financial results of the company and its subsidiaries for the quarter ended 30 June 2023.
- 6 The Group recorded a Loss after tax for 3 months ended 30 June 2023 of ₹ 318 lakhs. Further, Group has accumulated losses amounting to ₹ 16,464 lakhs which has resulted in erosion of net worth and the current liabilities exceed the current assets by ₹ 4,600 Lakhs as at 30 June 2023. However, the current liabilities are predominantly current maturities of long-term debt from Ultimate Holding Company and the Group has undrawn facility of Rs. 14,450 in Lakhs as at 30 June 2023. Basis future business plans and the above-mentioned undrawn facility, the Management is of the view that preparation of the consolidated financial results using going concern basis of accounting is appropriate.
- 7 The consolidated financial results comprises the financial results of the company and its subsidiaries.
- 8 Earning per share is not annualised for the quarter ended 30 June 2023, 31 March 2023 and 30 June 2022.
- 9 Figures for the previous year have been regrouped / rearranged wherever necessary.

Place :Chennai

Date : 08 August 2023

For Inspirisys Solutions Limited



Murali Gopalakrishnan

Executive Director and Chief Executive Officer



Inspirisys Solutions Limited

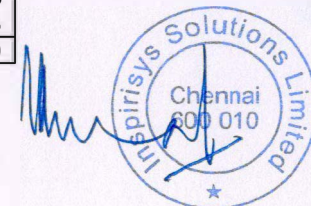
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CIN No: L30006TN1995PLCO31736

Segment-wise Revenue, Result, Assets and Liabilities

(₹ in Lakhs)

Particulars	Consolidated			
	Quarter ended			Year ended
	30 June 2023	31 March 2023	30 June 2022	31 March 2023
	(Unaudited)	(Audited (refer note 2))	(Unaudited)	(Audited)
1. Segment Revenue				
Systems Integration	2,224	3,412	2,303	12,117
Services	6,592	6,788	6,296	25,644
Warranty Management Services	296	302	316	1,274
Revenue from Operations (Net)	9,112	10,502	8,915	39,035
2. Segment result				
Systems Integration	30	461	(74)	560
Services	691	470	615	2,603
Warranty Management Services	(18)	11	35	105
Total	703	942	576	3,268
(i)Interest expenses	(290)	(261)	(264)	(1,078)
(ii)Other unallocable expenses	(642)	(572)	(607)	(2,520)
Other income	29	135	114	487
Total (Loss)/Profit Before Tax	(200)	244	(181)	157
3. Segment Assets				
Systems Integration	1,864	3,636	2,899	3,636
Services	10,663	9,729	12,008	9,729
Warranty Management Services	980	783	566	783
Training	35	35	35	35
Unallocated	8,367	7,020	7,269	7,020
Total Assets	21,909	21,203	22,777	21,203
3. Segment Liabilities				
Systems Integration	2,147	3,370	3,435	3,370
Services	7,768	7,614	6,329	7,614
Warranty Management Services	365	370	472	370
Training	3	3	-	3
Unallocated	12,634	10,683	12,891	10,683
Total Liabilities	22,917	22,040	23,127	22,040



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

To the Board of Directors of Inspirisys Solutions Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Inspirisys Solutions Limited ('the Company') for the quarter ended 30 June 2023, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Chartered Accountants

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

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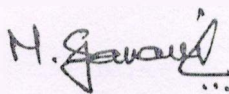
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4. As detailed in Note 3 to the standalone financial results, the Company has reported an amount of ₹ 4,040 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 30 June 2023 which are significantly over-due. Further, due to non-realization of aforesaid trade receivables within the prescribed time limit, the Company is in non-compliance with Clause C.20 of the Master Direction – Export of Goods and Services (Updated as on November 22, 2022) ("Master Direction") and is liable to pay Goods and Service Tax (GST) liability along with interest and penalty on such export sales in accordance with sub rule 1 of 96A of CGST rules. The impact of non-compliance with the Master Direction for non-realization of export proceeds within stipulated timeline has been determined by the Management to be immaterial to the standalone financial results. The management is confident of recovering the aforesaid receivables from the subsidiary based on the business plans as detailed out in the management note and accordingly, no expected credit loss provision has been made against such long outstanding receivables under Ind AS 109, Financial Instruments and no provision is recognized towards aforesaid GST liability including interest and penalty. However, in the absence of sufficient appropriate audit evidence regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the recoverability of the carrying value of the said trade receivables as at 30 June 2023 and impact on Goods and Service Tax liability, including penalty and interest that may be levied, and the consequential impact thereof, if any, on the accompanying standalone financial results.

Our review report on the standalone unaudited financial results for the quarter ended 30 June 2022 and audit opinion on the standalone financial results for the quarter and year ended 31 March 2023 has been qualified in the regard.

5. Based on our review conducted as above, except for the possible effects of the matter described in paragraph 4 above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 4 to accompanying standalone financial results, which describes uncertainty related to outcome in respect of show cause notice received from the Securities Exchange Board of India for alleged violations with the Securities Exchange Board of India Act, 1992 and Securities Contracts (Regulation) Act, 1956 and rules and regulations made thereunder in earlier years. In view of the Company's management, the aforesaid matter is not expected to have a material impact on the accompanying standalone financial results of the Company. Our conclusion is not modified in respect of this matter.

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



Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
UDIN: 23118617BGTFRG2792



Place: Ahmedabad
Date: 08 August 2023

Walker Chandio & Co LLP

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

To the Board of Directors of Inspirisys Solutions Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Inspirisys Solutions Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2023, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD/1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (B) of the Listing Regulation, to the extent applicable.



Chartered Accountants

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

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4. As detailed in Note 3 to the consolidated financial results, the Holding Company has reported an amount of ₹ 4,040 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 30 June 2023 which are significantly over-due. Further due to non-realization of aforesaid trade receivables within the prescribed time limits, the Holding Company is in non-compliance with Clause C.20 of the Master Direction – Export of Goods and Services (Updated as on November 22, 2022) ("Master Direction") and is liable to pay Goods and Service Tax (GST) liability along with interest and penalty on such export sales in accordance with sub rule 1 of 96A of CGST rules. The impact of non-compliance with the Master Direction for non-realization of export proceeds within stipulated timeline has been determined by the Management to be immaterial to the consolidated financial results. The management is confident of recovering the aforesaid receivables from the subsidiary based on the business plans as detailed out in the management note and accordingly, no provision is recognized towards aforesaid GST liability including interest and penalty. However, in the absence of sufficient appropriate audit evidences regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the impact on Goods and Service Tax liability, including penalty and interest that may be levied and the consequential impact thereof, if any, on the accompanying consolidated financial results.

Our review report on unaudited consolidated financial results for the quarter ended 30 June 2022 and audit opinion on the consolidated financial results for the quarter and year ended 31 March 2023 has been qualified in the regard.

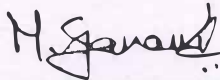
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 7 below, except for the possible effects of the matter described in paragraph 4, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 4 of the accompanying consolidated financial results, which describes uncertainty related to outcome in respect of show cause notice received from the Securities Exchange Board of India for alleged violations with the Securities Exchange Board of India Act, 1992 and Securities Contracts (Regulation) Act, 1956 and rules and regulations made thereunder in earlier years. In view of the Holding Company's management, the aforesaid matter is not expected to have a material impact on the accompanying standalone financial results of the Company. Our conclusion is not modified in respect of this matter.



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7. We did not review the interim financial results of five subsidiaries included in the Statement, whose financial information reflects total revenues as ₹ 1,297 Lakhs, total net loss after tax of ₹ 736 Lakhs, total comprehensive loss of ₹ 736 Lakhs, for the quarter ended on 30 June 2023, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion is not modified in respect of these matters with respect to our reliance on the work done by and the reports of the other auditors.
8. The Statement includes the interim financial information of one subsidiary, which have not been reviewed by their auditors, whose interim financial information reflects total revenues of Nil, net loss after tax of Nil, total comprehensive loss of Nil for the quarter ended 30 June 2023 as considered in the Statement, and have been furnished to us by the Holding company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, are based solely on such unaudited financial information. According to the information and explanations given to us by the management, the interim financial information is not material to the Group. Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

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



Mehulkumar Sharadkumar Janani
Partner
Membership No. 118617
UDIN: 23118617BGTFRH6777



Place: Ahmedabad
Date: 08 August 2023

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Annexure 1

List of entitles included in the Statement.

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

