ISL/SS/SE/32/2019-2020
24th August, 2019

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.

Please find attached herewith a copy of the 24th Annual Report of the Company for the financial year ended 2018-2019.

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

Encl: Annual Report 2018-19

inspiriSYS
Solutions Limited

24th Annual Report
2018 - 19

Company Information

Board of Directors

Mr. Malcolm F. Mehta	- Chairman & Chief Executive Officer
Mr. Bin Cheng	- Non-Executive & Non-Independent Director
Mrs. Ruchi Naithani	- Independent Director
Mr. Raj Khalid	- Independent Director
Mr. Rajesh R. Muni	- Independent Director
Mr. Koji Iketani	- Non-Executive & Non-Independent Director (w.e.f. 19th June, 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
Mr. Bin Cheng	- Member
Mrs. Ruchi Naithani	- Member
Mr. Raj Khalid	- Member
Mr. Koji Iketani	- Member

Stakeholders Relationship Committee

Mr. Raj Khalid	- Chairman
Mr. Bin Cheng	- Member
Mr. Rajesh R. Muni	- Member
Mrs. Ruchi Naithani	- Member

Nomination and Remuneration Committee

Mrs. Ruchi Naithani	- Chairperson
Mr. Bin Cheng	- Member
Mr. Raj Khalid	- Member
Mr. Rajesh R. Muni	- Member

Management Team

Mr. Maqbool Hassan	(President - Practice & Delivery)
Mr. Milind Kalurkar	(President - Overseas Sales)
Mr. Jayesh Ahluwalia	(President - 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.**

1.	Notice to Members	3
2.	Directors' Report	11
3.	Secretarial Audit Report	32
4.	Corporate Governance Report	35
5.	Standalone Financial Statements	
	5.1 Independent Auditors' Report	53
	5.2 Balance Sheet	61
	5.3 Statement of Profit and Loss	62
	5.4 Cash Flow Statement	63
	5.5 Notes forming part of Standalone Financial Statements	65
6.	Consolidated Financial Statements	
	6.1 Statement in Form AOC-1 related to Subsidiary Companies	98
	6.2 Independent Auditors' Report	99
	6.3 Balance Sheet	105
	6.4 Statement of Profit and Loss	106
	6.5 Cash Flow Statement	107
	6.6 Notes forming part of Consolidated Financial Statements	109

NOTICE OF THE TWENTY FOURTH 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-Fourth Annual General Meeting of the members of Inspirisys Solutions Limited (Formerly Accel Frontline Limited) will be held on Tuesday, 17th September, 2019 at "The Music Academy Mini Hall, TTK Road, Alwarpet, Chennai - 600 014" at 11:00 AM to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company as at 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Malcolm F. Mehta, (DIN: 03277490) who retires by rotation and, being eligible, offers himself for re-appointment.

3. **Re-appointment of Statutory Auditors.**

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

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, M/s. Walker Chandiok & Co LLP, Chartered Accountants, Chennai, bearing (Firm Registration No. 001076N/N500013), be and are hereby reappointed as Statutory Auditors of the Company (a period of five years ending on 2024) to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2024 at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."

Special Business:

4. **Appointment of Mr. Koji Iketani as a Non-Executive (Non-Independent) Director of the company.**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), Mr. Koji Iketani (DIN: 08486128) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 19th June, 2019 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 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 Director on the Board of Directors of the Company, liable to retire by rotation."

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

5. **Re-appointment of Mrs. Ruchi Naithani as an Independent Women Director.**

   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 Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment & Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, as amended from time to time, Mrs. Ruchi Naithani (DIN: 00531608), who meets the criteria prescribed for Independent Directors under Section 149(6) of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Women Director of the Company, to hold office as such for a second term of five years, with effect from 11th September, 2019 to 10th September, 2024 not liable to retire by rotation."

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

6. **Re-appointment of Mr. Raj Khalid as an Independent Director.**

   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 Sections 149, 152 and other applicable provisions of the Companies Act, 2013, the Companies (Appointment & Qualification of Directors) Rules, 2014, read with Schedule IV to the said Act, applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of the Company, as amended from time to time, Mr. Raj Khalid (DIN: 00169691), who meets the criteria prescribed for Independent Directors under

Section 149(6) of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as an Independent Director of the Company, to hold office as such for a second term of five years, with effect from 05th December, 2019 to 04th December, 2024 not liable to retire by rotation."

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

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

Place: Chennai **S.Sundaramurthy**
Date: 08th August, 2019 **Company Secretary**

NOTES:

1. 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 Wednesday, 11th September, 2019 to Tuesday, 17th September, 2019 (both days inclusive).

2. 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.

3. **A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself / herself and such proxy need not be a member of the Company.**

4. **A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. Provided that a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.**

5. **Proxies, in order to be effective should be duly stamped, completed, signed and must be sent to the Company so as to receive at its Registered Office not later than 48 hours before the commencement of the AGM.**

6. Corporate members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.

7. The members are requested to bring duly filled attendance slip along with their copy of Annual Report for the AGM.

8. Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

9. The Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

10. The Notice of 24th AGM, details and instructions for e-voting and the Annual Report of the Company for the year ended 31st March, 2019 is uploaded on the Company's website www.inspirisys.com and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the company's registered office for inspection on all working days (except Saturday & Sunday) from 11:00 A.M. to 04:00 P.M. Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

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. Tuesday, 10th September, 2019 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. Tuesday, 10th September, 2019 ("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. The members are requested to intimate to the company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.

14. 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 and will not attract any stamp duty. 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 08th 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.

15. The members who have not en-cashed their Dividend Warrants for previous financial year (viz. 2011-12) are requested to send the same for revalidation to the Company's Registrars & Transfer Agents.

16. Members wishing to claim dividends for previous financial years, which remain unclaimed, are requested to correspond with the Registrar & Transfer Agents. Members are requested to note that dividends not en-cashed 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 IEPF. The Company has transferred the unpaid or unclaimed dividends declared upto Financial Year 2010-11 to the Investor Education and Protection Fund (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 19th September, 2018 (date of the last Annual General Meeting on the website of the Company and also on the website of the Ministry of Corporate Affairs).

17. 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.

18. 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 forming part of the Explanatory Statement given below.

19. 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.

20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days (except Saturday & Sunday) from 11:00 A.M. to 04:00 P.M., up to the date of the AGM of the Company.

21. 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.

22. Voting through electronic means:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot or polling paper or e-voting shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through any means made available at the venue.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on Friday, 13th September, 2019 (9:00 A.M.) and ends on Monday, 16th September, 2019 (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 Tuesday, 10th September, 2019, 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.

V. 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, your 'initial password' is communicated to you on your postal address.

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 at evoting@nsdl.co.in

VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

VII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Tuesday, 10th September, 2019.

VIII. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Tuesday, 10th September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using *"Forgot User Details/Password?"* or *"Physical User Reset Password?"* option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

IX. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

X. A person, whose name is recorded in the register of members or in the register of beneficial owner maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting or ballot paper or polling paper.

XI. 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 for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of e-voting or Ballot Paper or Polling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIII. 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.

XIV. 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. 4

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Koji Iketani, as an Additional Director of the Company with effect from 19th June, 2019. In terms of the provisions of Section 161 of the Companies Act, 2013, Mr. Koji Iketani, would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Koji Iketani, for the office of Director of the Company. Mr. Koji Iketani, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. Brief resume of Mr. Koji Iketani, nature of his expertise inspecific 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 with the Stock Exchanges, are provided in the Annexure A to this notice.

Save and except Mr. Koji Iketani none of the Director is concerned or interested in the resolution. The Board recommends the Ordinary Resolution set out in Item No. 4 of the notice for approval by the shareholders.

Item No. 5

The Board of Directors of the Company appointed Mrs. Ruchi Naithani as an Additional Director on 11th September, 2014, which was approved by the shareholders in the Annual General Meeting held on 25th September, 2015. The term of Mrs. Ruchi Naithani (i.e. 5 years) as an Independent Director will expire on 10th September, 2019. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company re-appointed Mrs. Ruchi Naithani, as an Independent Director in the meeting held on 08th August, 2019 for a further period of five years i.e. from 11th September, 2019 to 10th September, 2024 under the provisions of the Companies Act, 2013. As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the company. In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mrs. Ruchi Naithani, the Board of Directors state that the re-appointment of Mrs. Ruchi Naithani would be in the interest of the company. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Ruchi Naithani, for the office of Director of the Company. Mrs. Ruchi Naithani, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director. The Company has received a declaration from Mrs. Ruchi Naithani confirming that she meets the criteria of Independence as prescribed under Section 149(6) of the Act and as per SEBI LODR Regulations. Brief resume of Mrs. Ruchi Naithani, nature of her expertise in specific functional areas, names of companies in which she holds directorship, memberships/ chairmanships of Board Committees and shareholding as stipulated under SEBI Listing Regulations, are provided in the Annexure A to this notice.

In the Performance Evaluation, the performance of Mrs. Ruchi Naithani was evaluated and she is an effective and efficient on discharging her roles and responsibilities as an Independent Director of the Company. The Board and its allied Committees have been benefitted from her relevant specialization and expertise in the knowledge. The Nomination & Remuneration Committee, recommended the re-appointment of the aforesaid Independent Director and Board of Directors of the Company approved and recommended the re-appointment of the aforesaid Independent Director, for a second term for a period of five years, as provided in the resolutions.

In the opinion of the Board of Directors she fulfils the condition specified in the Act for such re-appointment and such appointment is independent of the management. Accordingly, the Board recommends passing of the resolution at Item No. 5 of the Notice as a Special Resolution. Save and except Mrs. Ruchi Naithani, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the resolution.

Item No. 6

The Board of Directors of the Company appointed Mr. Raj Khalid, as an Additional Director on 05th December, 2014, which was approved by the shareholders in the Annual General Meeting held on 25th September, 2015. The term of Mr. Raj Khalid (i.e. 5 years) as an Independent Director will expire on 04th December, 2019. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company re-appointed Mr. Raj Khalid, as an Independent Director in the meeting held on 08th August, 2019 for a further period of five years i.e. from 05th December, 2019 to 04th December, 2024 under the provisions of the Companies Act, 2013. As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the company. In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Raj Khalid, the Board of Directors state that the re-appointment of Mr. Raj Khalid would be in the interest of the company. The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Raj Khalid for the office of Director of the Company. Mr. Raj Khalid, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. The Company has received a declaration from Mr. Raj Khalid confirming that he meets the criteria of Independence as prescribed under Section 149(6) of the Act and as per SEBI LODR Regulations. Brief resume of Mr. Raj Khalid, nature of his expertise in specific functional areas, names of companies in which he holds directorship, memberships/chairmanships of Board Committees and shareholding as stipulated under SEBI Listing Regulations, are provided in the Annexure A to this notice.

In the Performance Evaluation, the performance of Mr. Raj Khalid was evaluated and he is effective and efficient on discharging his roles and responsibilities as an Independent Director of the Company. The Board and its allied Committees have been benefitted from his relevant specialization and expertise in the knowledge. The Nomination & Remuneration Committee, recommended the re-appointment of the aforesaid Independent Director and Board of Directors of the Company approved and recommended the re-appointment of the aforesaid Independent Director, for a second term for a period of five years, as provided in the resolutions.

In the opinion of the Board of Directors he fulfils the condition specified in the Act for such re-appointment and such appointment is independent of the management. Accordingly, the Board recommends passing of the resolution at Item No. 6 of the Notice as a Special Resolution. Save and except Mr. Raj Khalid, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the resolution.

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

Place: Chennai | **S.Sundaramurthy**
Date: 08th August, 2019 | **Company Secretary**

Annexure A to the Notice dated 08th August, 2019
Details of Directors retiring by rotation / seeking re-appointment at the meeting

Name	**Mr. Malcolm F. Mehta**	**Mr. Koji Iketani**	**Mrs. Ruchi Naithani**	**Mr. Raj Khalid**
Date of Birth	04th June, 1968	07th November, 1962	21st December, 1969	05th December, 1953
Date of Appointment	07th May, 2014	19th June, 2019	11th September, 2014	05th December, 2014
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.	Post Graduate in Linguistics from Kumamoto University, Japan and a certification for Japanese language proficiency (Level 1 of Japanese language proficiency and Level J1+ Jetro Business Japanese Proficiency test.)	M.Sc. in Applied Microbiology, from Heriot Watt University, Edinburgh UK and Post Graduate in Human Resources from K C College, Mumbai.
Expertise	He has an expertise in the field of international business, mergers and acquisitions, planning, strategy and business development.	He has a vast knowledge base and experience in Software engineering, Project management, IT consulting, Venture investment and Merger & Acquisitions spanning over three decades.	She has expertise in the IT industry for more than 16 years and has managed a team of IT professionals and has handled projects for various Japanese clients. In addition, she has extensive exposure to both Japanese and Indian business and cultures, and governance matters by way of long-term engagements with Japanese companies and government institutions as a veteran interpreter.	He has an Industry experience of 14 years, then as a Senior Trade Promotion Adviser to British Deputy High Commission for 4 years and Trade & Investment Commissioner for Flanders, Belgium for 8 years.
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 2. Nomination & Remuneration Committee - Chairperson 3. Corporate Social Responsibility Committee-Member 4. Stakeholders Relationship Committee - Member	1. Audit Committee - Member. 2. Stakeholders Relationship Committee - Chairman. 3. Nomination & Remuneration Committee - Member.

Name	Mr. Malcolm F. Mehta	Mr. Koji Iketani	Mrs. Ruchi Naithani	Mr. Raj Khalid
List of other Public Companies in which Directorship held	Inspirisys Solutions IT Resources Limited.	NIL	NIL	NIL
Chairmanship/Membership of the Committee of other companies in which he/she is a Director.	NIL	NIL	NIL	NIL
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on 31st March, 2019.	NIL	NIL	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company.	NIL	NIL	NIL	NIL
Number of meetings attended during the year	Please refer Corporate Governance Section of the 24th Annual Report 2018-19.	Appointed as an Additional Director on 19th June, 2019.	Please refer Corporate Governance Section of the 24th Annual Report 2018-19.	Please refer Corporate Governance Section of the 24th Annual Report 2018-19.

DIRECTORS' REPORT

To

THE MEMBERS OF INSPIRISYS SOLUTIONS LIMITED

(Formerly Accel Frontline Limited)

The Directors are pleased to present the 24th Annual Report of the Company together with the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

1. FINANCIAL RESULTS

₹ in lakhs

Particulars	Consolidated		Standalone	
	March 2019	March 2018	March 2019	March 2018
Total Revenue	55,392	49,291	45,262	40,724
Earnings before interest, tax, depreciation and amortization (EBITDA)	2,699	500	2,620	2,109
Finance costs	1,825	1,923	1,652	1,810
Depreciation and amortization expense and impairment loss	469	670	450	643
Profit / (loss) before tax and exceptional items	405	(2,093)	518	(344)
Exceptional items	-	(1,566)	-	6,661
Profit / (loss) before tax	405	(3,659)	518	6,317
Tax expense	338	209	335	1,225
Profit / (loss) for the year from continuing operations	67	(3,868)	183	5,092
Profit from Discontinued operations	-	6,207	-	-
Less: Tax Expense	-	(1,129)	-	-
Profit for the year from discontinued operations	-	5,078	-	-
Profit for the year	67	1,210	-	-
Other comprehensive income for the year, net of tax	(136)	137	26	59
Total comprehensive income for the year	(69)	1,347	209	5,151

2. BUSINESS PERFORMANCE

Revenue at a Consolidated basis stood at ₹ 55,392 lakhs for FY 2018-19 as against ₹ 49,291 lakhs in the previous year. Revenue from standalone operations for the FY 2018-19 stood at ₹ 45,262 lakhs which is a growth of 11% over the FY 2017-18 ₹ 40,724 lakhs. The EBITDA on a consolidated basis was ₹ 2,699 lakhs and on a standalone basis stood at ₹ 2,620 lakhs.

3. PREFERENTIAL ALLOTMENT OF EQUITY SHARES

The company has issued and allotted 42,30,000 equity shares (at a price of ₹ 62.14 per equity share) and 56,25,000 equity shares (at a price of ₹ 54.30 per equity share) to CAC Holdings Corporation, Promoter on a preferential basis on 27th March, 2019 and 19th June, 2019 respectively.

The reason for preferential allotment of Equity Shares to CAC Holdings Corporation, Japan, the promoter of the Company, is to enable them to infuse additional capital in the Company for business expansion and growth and for general corporate purposes including, but not limited to, recapitalizing the overseas wholly owned subsidiaries, bringing down the short term and long term borrowings of the Company and / or to invest in new business opportunities. The capital infusion has also increased the net-worth of the Company on standalone basis and on a consolidated basis making the Company net-worth positive.

4. INCREASE IN AUTHORISED SHARE CAPITAL

The company has increased the authorised capital from ₹ 33,00,00,000 (Rupees Thirty Three Crore only) divided into 3,30,00,000 (Three Crore Thirty Lakhs) equity shares of ₹ 10 (Rupees Ten only) each to ₹ 50,00,00,000 (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) equity shares of ₹ 10 (Rupees Ten only) each by an Ordinary resolution passed at the Extra Ordinary General Meeting held on 22nd March, 2019.

5. DIVIDEND

The Directors do not recommend any dividend for the year ended 31st March, 2019 due to inadequate profits.

6. HUMAN RESOURCES DEVELOPMENT

EMPLOYEES ARE THE ASSETS OF THE COMPANY - The Company understands this and also believes in transforming manpower resources from "Asset" to "Strategic Asset" by increasing their capabilities. The Company recognises people as the primary source of its competitiveness and continues its focus on people development by leveraging technology. In line with this business philosophy, 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.

Employee relations remained cordial throughout the year and the Company had 2,080 permanent employees on its rolls as on 31st March, 2019. 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. POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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.

8. BUSINESS EXCELLENCE AND QUALITY INITIATIVES

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

During the year under review, 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 20000-1:2011 (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.

9. 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).

10. SUBSIDIARY COMPANIES

The Company continued operating the wholly owned subsidiaries in United States of America, Japan, UAE and United Kingdom which are not listed in India or abroad as of date. The Company also has a wholly owned unlisted Indian Subsidiary which closed down its operations in the last quarter of FY 18-19. 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 sub-section (3) of Section 129 of the Act and read with rule 5 of the Companies (Accounts) Rules, 2014, the salient features of the financial Statement of the subsidiaries are set out in the prescribed Form AOC-1, which forms part of the Annual Report.

The Board would like to mention that following the decision to close down the operations of the wholly owned Indian Subsidiary Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited) (WOIS), it decided to impair its investments and write off the Loans and Advances provided to the Indian subsidiary company during the year under review.

The WOIS main business was into training on Computer Hardware and Network Maintenance and it was operating 7 training centers and had the head office in Chennai. The WOIS has been incurring losses since 2009-10 and accumulated losses have already wiped out the Net Worth of WOIS. The Revenue from operations started moving south wards due to change in the method of training adopted by the students and there was complete shift in the business model which impacted the growth of the company. Though the WOIS had worked out various business strategies and changed the business model to be in line with the current trend, the same did not yield any result in growing the revenues and the losses continue to mount. With the WOIS Net Worth becoming negative the WOIS was not considered as a going concern by its auditors and by the auditors of Inspirisys Solutions Limited. After having explored various options, the company finally concluded that the business turn around is not feasible and decided to shut down the operations in the last quarter of Financial Year 2018-19 in order to bring down the losses.

The WOIS is not considered as a going concern and is therefore not in a position to repay the loans and advances paid by the Company. The Company in its Board Meeting held on 09th May, 2019 has approved the impairment of its investments in the WOIS and also has written off Loans and Advances which is aggregating to ₹ 792 lakhs upto 31st March, 2019 provided to WOIS.

11. 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.

12. 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.

13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Act, the Board of Directors of the Company hereby confirms that:

i. in the preparation of the annual accounts for the financial year ended 31st March, 2019, applicable Accounting Standards have been followed and there were no material departures from the same;

ii. we 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 31st March, 2019 and of the profit and loss of the Company for the year ended on that date;

iii. we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. we have prepared the annual accounts for the financial year ended 31st March, 2019 on a going concern basis;

v. we have laid down internal financial controls and the same have been followed by the Company and that such internal financial controls are adequate and operating effectively; and

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

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

- Alteration of Articles of Association of the company.
- Change of name of the company from Accel Frontline Limited to Inspirisys Solutions Limited.
- To increase the authorised share capital of the Company from ₹ 33,00,00,000 (Rupees Thirty Three Crore only) divided into 3,30,00,000 (Three Crore Thirty Lakhs) equity shares of ₹ 10 (Rupees Ten only) each to ₹ 50,00,00,000 (Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) equity shares of ₹ 10 (Rupees Ten only) each.
- To issue and allot 42,30,000 equity shares and 56,25,000 equity shares of ₹ 10 each to CAC Holdings Corporation, Japan on preferential basis.
- Receipt of Trading approvals for 42,30,000 equity shares and 56,25,000 equity shares issued on preferential allotment basis.
- Receipt of request for de-classification of Accel Limited, Accel Systems Group Inc., and Mr. N.R. Panicker as promoters of the company, termination of Shareholders Agreement and Share Subscription Agreement both dated 09th December, 2013, submission of the extract of the minutes of the meeting of the board of directors considering the request of Accel Limited, Accel Systems Group Inc., and Mr. N.R. Panicker to be de-classified as promoters of the company and submission of application with the stock exchanges for de-classification of Accel Limited, Accel Systems Group Inc., and Mr. N. R. Panicker as promoters of the Company.
- Reappointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, as Statutory Auditors for a second term of 5 years.
- Appointment of Mr. Koji Iketani as an Additional Director (Non-Executive, Non-Independent) with effect from 19th June, 2019.
- Updates on the change of name of the wholly owned subsidiaries.

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 05th February, 2019 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

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm's Registration No. 001076N/N500013) were reappointed as the Statutory Auditors of the Company for a period of 5 years till the conclusion of the 29th Annual General Meeting.

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, 2019. 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 at the Registered Office of the Company. 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 within the meaning of sub-section (31) of Section 2 and Section 73 of the Companies Act, 2013 and the Rules framed thereunder from public and as such, no amount on account of principal or interest on deposits from public 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. Malcolm F. Mehta, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.
- Mr. Koji Iketani was appointed as the Additional Director (Non-Executive, Non-Independent) of the Company with effect from 19th June, 2019 and holds office upto this Annual General Meeting and Mr. Koji Iketani will be appointed as a Director by the shareholders of the company in the ensuing Annual General Meeting.
- Based on the performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 08th August, 2019 has reappointed Mrs. Ruchi Naithani and Mr. Raj Khalid, as an Independent Directors for a second term of five years.

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

The name of the following wholly owned subsidiaries have been changed:

Sl. No.	Country	Old Name	New Name
1	Japan	Accel Japan KK	Inspirisys Solutions Japan KK
2	United Kingdom	Accel Technologies Limited	Inspirisys Solutions Europe Ltd.
3	United States of America	Accel North America Inc.,	Inspirisys Solutions North America, Inc.,
4	India	Accel IT Resources Limited	Inspirisys Solutions IT Resources Limited

24. ACKNOWLEDGEMENTS

Your Directors take this opportunity to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank all valuable stakeholders viz., customers, suppliers, alliance partners, bankers and other business associates for the continued and excellent support given by them to the Company and their confidence reposed in the management. The Directors acknowledge the unstinted commitment and valuable contribution of all employees of the Company.

Your Directors also appreciate and value the trust reposed in them by Members of the Company

For and on behalf of the Board of Directors

Place: Chennai **Malcolm F. Mehta**
Date: 08th August, 2019 **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

7 meetings of the Board of Directors of the Company were held during the year. For details of the meetings, please refer the Corporate Governance Report, which forms part of this Report.

3. INDEPENDENT DIRECTORS' DECLARATION

Mrs. Ruchi Naithani, Mr. Raj Khalid and Mr. Rajesh R. Muni 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 have been no change in the circumstances which may affect their status as independent director during the year.

4. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

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 are covered 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, 2019.

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. 34 of Consolidated Accounts and No. 35 of Standalone Accounts forming part of the Financial Statements as at and for the year ended 31st March, 2019. 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, 2019. 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

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis. Thus provisions of Section 188(1) of the Act are not applicable.

9. INTERNAL CONTROL

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

The internal control systems were further strengthened by internal audit carried by an independent firm of Chartered Accountants and a periodical review 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 Risk Management is overseen by the Board of Directors of the Company on a continuous basis. The Board oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. 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 established a Vigil Mechanism for Directors and employees to report their genuine concerns. For details, please refer to the Corporate Governance Report which forms part of the Annual Report.

13. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

Subsidiaries of the Company are engaged in the business of providing 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 consists of: 1. 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 closed down its operations in the last quarter of Financial Year 2018-19.

The subsidiaries earned a gross revenue of ₹ 10,128 lakhs during the Financial Year 2018-19 compared to ₹ 10,090 lakhs during Financial Year 2017-18. The gross revenue remain static on account of poor business performance from overseas wholly owned subsidiaries. The Net losses of these subsidiaries on consolidated basis is ₹ 1,148 lakhs during Financial Year 2018-19 compared to a loss of ₹ 1,706 lakhs during Financial Year 2017-18. 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.

The Company has impaired its investments and also has written off Loans and Advances provided, to its wholly owned unlisted Indian company Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited).

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*	152.00	337.49

* 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	Nil
Mr. Murali Gopalakrishnan, Chief Financial Officer	22.68%
Mr. S. Sundaramurthy, Company Secretary	13.45%

(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 2,080 permanent employees on the rolls of Company as at 31st March, 2019.

(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 2018-19 was 7.5%. Percentage increase in the managerial remuneration for the year was Nil.

(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 **Malcolm F. Mehta**
Date: 08th August, 2019 **Chairman & Chief Executive Officer**

ANNEXURE-II

MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

Enterprises of today are reimagining multiple aspects of their business model, investing in technology-led product or service innovation, customer analytics and insights, and core transformation programs. We hear most of the Board Room Discussions today hover around who could threaten their existence by bringing about a complete disruption in the way business can be done.

In FY 2019, the global market for software and services is estimated to have grown to $1.4 trillion. IT Services is estimated to have grown by 3.2% YoY, driven by strong growth in digital engagements, particularly cloud adoption. Business Process Management grew by 4.5% over the prior year, on account of greater focus on automation, while packaged software grew 7.4% YoY, driven by rapid adoption of SaaS, and security and privacy solutions.

The global economy is projected to grow at 3.5% in 2019 and 3.6% in 2020, attributed to escalating trade tensions between US and China, soft domestic demand in Italy after recent sovereign and financial risks, weakness in German auto manufacturers due to new fuel emission standards and weakening sentiment in global financial markets. Europe's factory output declined by the biggest margin in three years. According to leading indicators released by the Organization for Economic Cooperation and Development (OECD), the US and many other economies are set for a further slowdown this year.

While the World Bank also cut the growth forecast for advanced economies in 2020 to 1.6% (down from 2.2% in 2018), the future is somewhat brighter for the emerging world. As the World Bank report emphasizes, emerging economies are increasingly strained by government debt, which has risen by 20 percentage points of GDP, on average, since 2013, with payments owed largely to private creditors demanding high interest rates. (Source: IMF, World Economic Outlook, January 2019)

Indian Economy

India's growth accelerated to an estimated 7.3% in FY 2018 (April to March) as economic activity continued to recover with strong domestic demand, which is expected to widen the current account deficit to 2.6% of GDP next year. The World Bank stated in its January 2019 Global Economic Prospects report that while investment continued to strengthen amid the GST harmonisation and a rebound of credit growth, consumption remained the major contributor to growth. It attributed the positive sentiments to an upswing in consumption and investment growth, as the benefits of structural reforms such as the Goods and Services Tax (GST) harmonisation and bank recapitalisation took effect. Inflation is projected to rise somewhat above the midpoint of the Reserve Bank of India's target range of 2% to 6%, mainly owing to energy and food prices. The World Bank report said, India climbed eight places in the latest annual International Intellectual Property (IP) Index released by the US Chambers of Commerce to reach 36th place out of 50 countries, climbing from 44th rank in the index last year. The Political Stability attained with recently concluded General elections will also have it's bearing in the way economy should be shaping up over next 2 to 3 years.

Global IT Industry and IT spending: Key Growth Drivers

- IT spending is witnessing a shift from ownership to service - increase in use of varied IT services aligned with contemporary technologies by enterprises to not only reduce cost, but gain agility to deal with sustained and rapid changes, and ultimately help them in digital transformation.
- Cloud based solutions & services is projected to grow at more than 22% this year, compared with 6% growth for all other forms of software. However, spending is not uniform across geographies. US contributes 60% of the cloud spend. Lack of hyper scale data centre's in developing markets contributes to slow growth on cloud spend.
- Global spending on Enterprise security is expected to surpass USD 133 billion in 2019; in EMEA (due to GDPR) it is expected to reach USD 40 billion in 2019, up 7.8% from 2018.
- Expected global slowdown in economic prosperity, paired with internal pressures to cut spending, is driving organisations to optimise enterprise external spend for business services (IT services and supplier consolidation are top three most effective cost-optimisation approaches).
- In addition to buying behaviour changes, the larger challenge engulfing IT Companies is about the technical staff which is beginning to lag as organisations adopt new technologies, such as IoT devices, to drive digital business. Nearly half of the IT workforce is in urgent need of developing skills or competencies to support their digital business initiatives. Skill requirements such as artificial intelligence (AI), machine learning, API and services platform design and data science are changing faster than ever before.

Indian IT Sector Overview

India continues to be among one of the leading sourcing destination across the world. It accounted for approximately 55% market share of the USD 185-190 billion global services sourcing business in 2017-18. Indian IT & ITeS companies have set up over 1,000 global delivery centres in about 80 countries across the world. India has become the digital capabilities hub of the world with around 75 per cent of global digital talent present in the country. India's IT & ITeS industry was valued at USD 167 billion in 2017- 18. Exports from the industry increased to USD 126 billion in FY 2018, while domestic revenues (including hardware) advanced to USD 41 billion. Spending on Information Technology in India is projected to grow over 9% to touch USD 87.1 billion in 2018. Revenue from the digital segment is seen comprising 38% of the forecasted USD 350 billion industry revenue by 2025. (Source: NASSCOM & Gartner)

B. OPPORTUNITIES & THREATS

Enterprises are increasingly embracing business models that are defined by technology, structurally driving up technology intensity across industries. This, as well as the greater leverage of technology for competitive differentiation, significantly increases the market opportunity for us. As enterprises become more technology-defined, they will aspire to work and partner with Inspirisys Solutions Limited (ISL) kind of entities, who understand their businesses very well and help align, build, innovate solutions - services around most contemporary technologies which can provide them the desired competitive edge in market.

The opportunities ahead are huge. Imbibing right set of values and guiding principles, ISL is positioning itself well to become the trusted and preferred partner of choice to every business enterprise in India & Globally to help establish and meet their growth aspirations and digital transformation milestones. Having initiated a brand new GTM last year, we have noted the continually evolving and growing adoption of digital technologies such as Cloud, IoT, Analytics, Machine Learning, AI, RPA driven automation reaching an inflexion point which is triggering large re-architecture programs. This is a strong endorsement to the fact of such technologies becoming mainstream for most enterprises to bet their investments in as part of overall Digital Transformation Strategy supporting their business needs.

It is also pretty significant to note that many board room discussions today harbour around the kind of competition they would be facing now to future. Conventional Business Models are being challenged by Technology driven Apps that the Millennial and Gen Z are more amiable to use and adopt. The enterprises are thus reimagining multiple aspects of their own business model, investing in technology-led product or service innovation, customer analytics and insights, and core transformation programs. These envisaged engagements can be huge in it's scope, spread over multi-years. ISL is positioning itself in this space by leveraging and establishing a robust ecosystem via partnering with focused start-ups which have built specific solution – services offering.

BUSINESS OVERVIEW

Head-quartered in Chennai, Inspirisys Solutions Limited continues to being a preferred partner for many Enterprises in BFSI, Govt / PSU, Telecom while Healthcare & Manufacturing will be strongly focused to expand and extend it's dominance amid similar sized and structured competitors. The key services it provides to its clients globally include - Infra (Managed Services, RIM, DC Optimization), Application Development, Optimization & Modernization Solutions and Consulting Services. It has built inherent capabilities to provide customised solutions + services offerings to its clients, which leverages robotic process automation, hyper-converged technology, IoT & AI based framework designs as well as SOC. The services include integration, development support, testing services and implementation.

Key Industry Segment

- Banking & Financial Services
- Health & Insurance
- Travel & Transportation
- Manufacturing & Consumer
- Professional Services

Continuing it's Business Transition helping it's Customers "Experience Possibilities"

The Company continues to be on a transformation journey which commenced mid last year, 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 customers.

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.

PARTNER-LED GROWTH STRATEGY

It is a recognition that drives a strong belief that when there are smarter, smaller entities building efficient solutions it is imperative to build a partner ecosystem through collaboration with focused Start-up Tech firms, Innovative technology vendors, Platform vendors and business software providers. 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.

Over the past few years, ISL has been involved in developing "ahead-of-times" Prototypes, POC's and Solutions for diverse industries (be it for a Large Retail outlet, an Aerospace manufacturer, a Major Automobile manufacturer, an Insurance conglomerate, a Farming enterprise etc.) jointly developed with partners. These path-breaking innovations provide a strong precedence and conviction to Enterprises nurturing a need to adopt new technologies effectively and address business challenges while driving market differentiator for themselves.

C. FOCUS AREAS OF THE COMPANY

The Company has successfully reorganized its business to focus on 5 practices Viz., IT Infra services, IT Security, Cloud, IOT and Product Engineering Development across the Banking, 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 restructure has also enabled the company to be domain focussed and be more relevant to its customers who are on their digital transformation journey.

We are also creating a strategic and growth oriented partner ecosystem. These alliance with niche solution / Technology vendors provide 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 2019		Year ended 31 March 2018	
	In ₹ Lakhs	%	In ₹ Lakhs	%
Revenue				
Revenue from operations	54,641	98%	48,559	98.50%
Other income	751	2%	732	1.50%
Total revenue	**55,392**	**100%**	**49,291**	**100%**
Expenses				
Materials / Service costs	26,995	49%	21,993	45%
Employee benefits expense	13,359	24%	13,998	28%
Other expenses	12,339	22%	12,800	26%
Total expenses	**52,693**	**95%**	**48,791**	**99%**
EBITDA	**2,699**	**5%**	**500**	**1%**
Finance costs	1,825	3%	1,923	4%
Depreciation and amortization expense and impairment loss	469	1%	670	1%
Profit / (loss) before tax and exceptional items	**405**	**1%**	**(2,093)**	**-4%**
Exceptional items	-	-	(1,566)	-3%
Profit / (loss) before tax	**405**	**1%**	**(3,659)**	**-7%**
Tax expense	**338**	**1%**	**209**	**1%**
Profit / (loss) for the year	67	-	(3,868)	-8%
Profit from discontinued operations (net of tax)	-	-	5,078	10%
Profit for the year	67	-	1,210	2%
Other comprehensive income for the year, net of tax	**(136)**	**0%**	**137**	**0%**
Total comprehensive income for the year	**(69)**	**0%**	**1,347**	**3%**
Minority interest	-	-	(265)	-1%
Total comprehensive income after Minority Interest	(69)	0%	1,082	2%

F. REVENUE ANALYSIS

₹ in lakhs

BUSINESS MIX	FY 2019	%	FY 2018	%
SI - System Integration	27,751	51%	23,090	48%
Services	24,601	45%	23,350	48%
WMS - Warranty Management Services	2,274	4%	1,972	4%
Training	15	0%	147	0%
TOTAL	**54,641**	**100%**	**48,559**	**100%**

G. ANALYSIS OF BUSINESS BY SERVICE

The Infra 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 set up an SOC (Security Operations Center) to provide managed security services to our clients. The MSOC and RIMS, will help the company to cater to the Global Enterprise customers in the Infra and Security space. We are also seeing demand for our Cloud services and in the coming years, we expect the Infra and IT security and Cloud services to be export revenue earners apart from the software services Viz, IOT & Project engineering Development.

WMS business has turned profitable and continues to show a steady growth over the past years. Though the WMS business remains competitive, our continuous endeavour has been to significantly improve quality of services rendered, focus on Customer experience delight initiatives and control costs by improving Operational Efficiencies resulting in this turnaround.

H. HUMAN RESOURCE MANAGEMENT

ISL has inculcated and imbibed a diversified workforce comprising multi nationalities and varied cultures. It is thus imperative that Core of HR Practice pivots around every employee's individual development and welfare. Having a workforce which is High on Enthusiasm, Empowerment and Energy is a continuous and evolving journey in the current market dynamics. It is thus a clear objective that ISL will have the HR Processes and Competencies to be well aligned with Business entities within and be a greater contributor in achieving Goals of Growth & Better Profits. Attracting well sought for Talents and continued uplifting skills of existing workforce will be two key criteria in making ISL a great place to work for.

The Corporate HR team focuses catering to functional areas such as:

- Talent acquisition
- Compensation and Benefits
- Automation, Key Policies & Guidelines, People processes
- Capability Development
- Learning & Development initiatives
- Employee Delight Programs

Company recognizes the immense value of it's true assets - Human Assets in the business we are in. Right time resourcing with Right Talents and Retaining them is a continuous challenge. Establishing a business aligned, business aware HR function is one step the company has initiated. Employee Delight Initiatives are evolved / improvised to ensure retention of required talent. Performance Measurement Guidelines with Quarterly led Reviews are aimed to ensure building up the company which is Performance Driven. A comprehensive initiative around updating the Employee Guidelines & HR Policies (for all Geos) to keep it current is nearing completion, as well as implementing a more user friendly - employee driven HRMS system. ISL prides itself in being more humane and aligned organization where Passion, Fun and Customer Happiness Quotient are paramount. This company will continue to innovate and create platform for personal growth and success by initiating a few more of the following:

- Learning and Development:
    - o Designing Framework to Implement Digital Platform learning
    - o Soft skill framework
    - o Continue improving in-house training deliverables
- Employee Connect via Zero Hour with Existing Employee.
- Creating a highly positive experience for all new recruits as well those exiting the company.
- Employee Engagement Map Design by Channelizing, Implementation & Rework based on feedbacks.
- Employee Climate Survey.
- Continuous Communication through HR Info.

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 current year. This asset will be tested for impairment at the end of every financial year.

J. FINANCING COSTS

The company had obtained working capital loans from Japanese banks at a much lower cost on account of guarantees from the holding company from Japan. This has helped the company to contain the interest 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 19	**31 March 18**
ASSETS		
Non-current assets		
Property, plant and equipment	508	676
Goodwill	930	1,344
Other Intangible assets	313	498
Intangible asset under development	86	41
Financial assets		
- Investments	-	-
- Trade receivables	128	45
- Bank balances	966	1,310
- Other financial assets	511	551
Income tax assets (net)	4,621	4,730
Other non-current assets	537	622
	8,600	**9,817**
Current assets		
Inventories	1,261	1,524
Financial assets		
- Trade receivables	20,593	12,551
- Cash and cash equivalents	1,180	891
- Bank balances other than those mentioned in cash and cash equivalents	1	2
- Loans	-	-
- Other financial assets	453	515
Other current assets	4,920	2,971
	28,408	**18,454**
Total assets	**37,008**	**28,271**
Equity		
Equity share capital	3,399	2,976
Other equity	(4,561)	(6,697)
	(1,162)	**(3,721)**
Non - Controlling Interests	**-**	**-**
Non - Current liabilities		
Financial liabilities		
- Borrowings	5,168	4,183
Deferred tax liabilities (Net)	-	-
Provisions	710	665
	5,878	**4,848**
Current liabilities		
Financial liabilities		
- Borrowings	12,388	14,050
- Trade payables	10,925	6,413
- Other financial liabilities	3,007	3,022
Other current liabilities	5,706	3,270
Provisions	266	389
	32,292	**27,144**
Total equity and liabilities	**37,008**	**28,271**

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 ₹ 29,76,18,730 (divided into 2,97,61,873 equity shares of face value ₹ 10 each) to ₹ 33,99,18,730 (divided into 3,39,91,873 equity shares of face value ₹ 10 each) and further increased 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 42,30,000 equity shares and 56,25,000 equity shares of face value ₹ 10 on preferential allotment basis to CAC Holdings Corporation, Promoter.

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.

C. Receivables Management

The company has written off/provided for bad debts of ₹ 185 lakhs on standalone basis and ₹ 1,432 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 ₹ 20,721 lakhs as at 31st March, 2019 as compared to ₹ 12,596 lakhs as at 31st March, 2018.

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: 08th August, 2019 **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	2018 - 2019	2017 - 2018
(i)	Total Foreign Exchange earned	3,706.21	2,987.00
(ii)	Total Foreign Exchange outflow	313.00	392.00

Annexure IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019.

[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: nagaraj.v@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	53
2	IT Services	99831512	42
3	Warranty Management Services	99831323	5

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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	64.98%	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.	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) 1-3-5, Higashi Shimbashi, Minato, Tokyo 1050021, 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 (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% 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.	1,78,57,125	0	1,78,57,125	60.00	2,20,87,125	0	2,20,87,125	64.98	4.98
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):-	**1,78,57,125**	**0**	**1,78,57,125**	**60.00**	**2,20,87,125**	**0**	**2,20,87,125**	**64.98**	**4.98**
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	**1,78,57,125**	**0**	**1,78,57,125**	**60.00**	**2,20,87,125**	**0**	**2,20,87,125**	**64.98**	**4.98**
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	0.10	29,890	0	29,890	0.09	(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**	**0.10**	**29,890**	**0**	**29,890**	**0.09**	**(0.01)**

Category of Shareholders	No.of Shares held at the beginning of the year (01.04.2018)				No.of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a. Bodies Corp. (i) Indian	51,90,637	0	51,90,637	17.44	50,74,792	0	50,74,792	14.93	(2.51)
(ii) Overseas	0	0	0	0	0	0	0		0
b. Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	31,09,381	48,357	31,57,738	10.61	30,59,430	42,756	31,02,186	9.13	(1.48)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	26,66,905	0	26,66,905	8.96	28,72,344	0	28,72,344	8.45	(0.51)
c) NBFCs registered with RBI	0	0	0	0	1100	0	1100	0.00	0.00
c) Others (Specify)									
i) Clearing Member	1,35,285	0	1,35,285	0.45	1,42,298	0	1,42,298	0.42	(0.03)
ii) Non Resident Indians (REPAT)	3,09,689	5,350	3,15,039	1.06	3,03,104	5,350	3,08,454	0.91	(0.15)
iii) Non Resident Indians (NON REPAT)	22,846	0	22,846	0.08	18,973	0	18,973	0.06	(0.02)
iv) Trusts	0	0	0	0.00	0	0	0	0.00	0
v) Hindu Undivided family	3,62,483	0	3,62,483	1.22	3,23,372	0	3,23,372	0.95	(0.27)
vi) IEPF	23,925	0	23,925	0.08	31,339	0	31,339	0.09	0.01
Sub-Total (B) (2)	**1,18,21,151**	**53,707**	**1,18,74,858**	**39.90**	**1,18,26,752**	**48,106**	**1,18,74,858**	**34.94**	**(4.96)**
Total Public Shareholding (B)=(B) (1)+ (B) (2)	**1,18,51,041**	**53,707**	**1,19,04,748**	**40.00**	**1,18,56,642**	**48,106**	**1,19,04,748**	**35.02**	**(4.98)**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**2,97,08,166**	**53,707**	**2,97,61,873**	**100**	**3,39,43,767**	**48,106**	**3,39,91,873**	**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 (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% 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	1,78,57,125	60.00	0	2,20,87,125	64.98	0	4.98
	Total	**1,78,57,125**	**60.00**	**0**	**2,20,87,125**	**64.98**	**0**	**4.98**

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	1,78,57,125	60.00	1,78,57,125	60.00
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 - 27/03/2019	42,30,000	4.98%		
3	At the End of the year	2,20,87,125	64.98	2,20,87,125	64.98

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 01.04.2018		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	15.00	44,64,279	15.00
	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.	44,64,279	13.13	44,64,279	13.13
2	**PRAFUL MEHTA** **DEEPAK MEHTA**				
	At the Beginning of the year	2,41,417	0.81	2,41,417	0.81
	Date wise Increase / Decrease in Shareholding during the years pecifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	1,42,092	0.32		
	At the End of the year or on the date of separation, if separated during the year.	3,83,509	1.13	3,83,509	1.13
3.	**KANCHAN DUNGERSHI DEDHIA** **ASHOK DUNGERSHI DEDHIA**				
	At the Beginning of the year	2,92,000	0.98	2,92,000	0.98
	Date wise Increase / Decrease in Shareholding during the years pecifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): *	4,897	0.11		
	At the End of the year or on the date of separation, if separated during the year.	2,96,897	0.87	2,96,897	0.87
4.	**ASHWIN DUNGERSHI DEDHIA**				
	At the Beginning of the year	2,92,228	0.98	2,92,228	0.98
	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	0.86	2,92,228	0.86

5.	**KANTA DUNGERSHI DEDHIA**				
	At the Beginning of the year	2,30,240	0.77	2,30,240	0.77
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	2,757	0.08		
	At the End of the year or on the date of separation, if separated during the year.	2,32,997	0.69	2,32,997	0.69
6.	**RAHUL KAYAN**				
	At the Beginning of the year	2,62,817	0.88	2,62,817	0.88
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	(32,367)	(0.20)		
	At the End of the year or on the date of separation, if separated during the year.	2,30,450	0.68	2,30,450	0.68
7.	**RAVINDRAKUMAR VINAYKUMAR RUIA AKSHAY RAVINDRAKUMAR RUIA**				
	At the Beginning of the year	1,58,040	0.53	1,58,040	0.53
	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	0.46	1,58,040	0.46
8.	**VEJBAI DUNGERSHI DEDHIA**				
	At the Beginning of the year	1,50,382	0.51	1,50,382	0.51
	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	0.44	1,50,382	0.44
9.	**SATISH GOPALAKRISHNA PILLAI**				
	At the Beginning of the year	1,16,202	0.39	1,16,202	0.39
	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	0.34	1,16,202	0.34
10.	**DIVYESH AMBALAL SHAH SMITA DIVYESH SHAH**				
	At the Beginning of the year	1,35,388	0.45	1,35,388	0.45
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):*	(23,049)	(0.12)		
	At the End of the year or on the date of separation, if separated during the year.	1,12,339	0.33	1,12,339	0.33

*** 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, 2019. The Company is listed and 99.86% 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 01.04.2018				
i) Principal Amount	13,431	3,826	NIL	17,257
ii) Interest due but not paid	36	-	NIL	36
iii) Interest accrued but not due	-	42	NIL	42
Total (i+ii+iii)	**13,467**	**3,868**	**NIL**	**17,335**
Change in Indebtedness during the financial year				
- Addition	2,35,349	880	NIL	2,36,229
- Reduction	2,37,532	634	NIL	2,38,166
Net Change	**(2,183)**	**246**	**NIL**	**(1,937)**
Indebtedness at the end of the financial year 31.03.2019				
i) Principal Amount	11,284	4,069	NIL	15,353
ii) Interest due but not paid	-	-	NIL	-
iii) Interest accrued but not due	-	45	NIL	45
Total (i+ii+iii)	**11,284**	**4,114**	**NIL**	**15,398**

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	187.25	187.25
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	147.59	147.59
	(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	 0.22 2.43	 0.22 2.43
	Total (A)	**337.49**	**337.49**
	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	6.00	5.40	6.40	17.80
	• Commission	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00
	Total (1)	**6.00**	**5.40**	**6.40**	**17.80**
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)	**6.00**	**5.40**	**6.40**	**17.80**
	Total Managerial Remuneration (A)				**337.49**
	Total Remuneration (A+B)				**355.29**
	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	64.37	19.43	83.81
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	0.29	0.00	0.29
	(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	**66.03**	**19.94**	**85.97**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There was no penalities / punishment / compounding of offences for the year ending 31st March, 2019.

Annexure V

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2019

[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)

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2019 **("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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the Financial Year ended March 31, 2019 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.

I 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.

I 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, 1947
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

I 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.

I 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.

I further report that during the audit period-

1. Pursuant to the approval of shareholders by way of special resolution through Postal Ballot, name of the company was changed from **'Accel Frontline Limited'** to **'Inspirisys Solutions Limited'** due to the exit of the erstwhile promoters to whom the name 'Accel' belongs to.

2. Members of the Company accorded their approval in the Extra-Ordinary General Meeting held on March 22, 2019 to issue and allot, on preferential basis, 42,30,000 (Forty Two Lakh Thirty Thousand) equity shares of the Company at a price of ₹ 62.14 per Equity Share to their promoter CAC Holdings Corporation, Japan.

For M. Alagar & Associates

Place: Chennai
Date: May 27, 2019

M. Alagar
FCS No: 7488
CoP No.: 8196

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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**

   In alignment with the "Vision" of the company, 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

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	2017-2018	8,382
2	2016-2017	(2,240)
3	2015-2016	(14,078)
	Total	**(7,936)**
	Average Annual Net Profit	**(2,645.33)**

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

   2% of Average Net Profit - Not Applicable (NA). As the average annual net profit of the company is negative.

5. **Details of CSR spent during the financial year**

   (a) Total amount to be spent for the financial year: Nil
   (b) Amount unspent, if any: NA
   (c) Manner in which the amount spent during the financial year: NA

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: 08th August, 2019

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

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 three 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 2018-2019.

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. Bin Cheng as Non-Executive Director & Mrs. Ruchi Naithani, Mr. Raj Khalid and Mr. Rajesh R. Muni as Independent & Non - Executive Directors.

Seven (7) meetings of the Board of Directors were held on 09th May, 2018, 26th June, 2018, 07th August, 2018, 05th November, 2018, 05th February, 2019, 23rd February, 2019 and 27th March, 2019. 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, 2019 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 19th September, 2018 with particulars of their Directorships, Chairmanship and Membership of Board Committees of the companies showing the position as on 31st March, 2019 are given below:

Names of the Director	Category as at 31.03.2019	No. of Board Meetings attended out of 7 meetings held as on 31.03.2019	Attendance at the last AGM held on 19.09.2018	No. of Directorship held in Indian Public Limited Companies [excluding Inspirisys Solutions Limited (Formerly Accel Frontline Limited)]	Committee/s position as on 31.03.2019 [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	7	Yes	1	0	0	-
Mr. Bin Cheng	Non-Executive Non Independent	6	Yes	0	0	0	-
Mrs. Ruchi Naithani	Non-Executive Independent	7	Yes	0	0	0	-
Mr. Raj Khalid	Non-Executive Independent	6	No	0	0	0	-
Mr. Rajesh R. Muni	Non-Executive Independent	7	Yes	1	1	1	I G Petrochemicals Limited (Non-Executive, Independent)

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.

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, 2019. 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 long term sustainable growth that translates itself into progress, prosperity and the fulfilment of stakeholders' aspirations, is accomplished. It also sets standards of corporate behaviour 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;
- 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 31.03.2019 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.	09th May, 2018	5	5
2.	26th June, 2018	5	5
3.	07th August, 2018	5	4
4.	05th November, 2018	5	5
5.	05th February, 2019	5	4
6.	23rd February, 2019	5	5
7.	27th March, 2019	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 19th September, 2018.

(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:

The Composition of the Committee is:

Mr. Rajesh R. Muni	Chairman
Mr. Bin Cheng	Member
Mrs.Ruchi Naithani	Member
Mr. Raj Khalid	Member

During the year, 5 (five) Audit Committee meetings were held on 09th May, 2018, 07th August, 2018, 05th November, 2018, 05th February, 2019 and 23rd February, 2019.

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	5	5
Mr. Bin Cheng	Non-Executive, Non-Independent	5	4
Mrs. Ruchi Naithani	Independent	5	5
Mr. Raj Khalid	Independent	5	4

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
Mr. Raj Khalid	Member

(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 2 (two) meetings of Nomination and Remuneration Committee were held on 09th May, 2018 and 07th August, 2018.

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	2	2
Mr. Raj Khalid	Independent	2	1
Mr. Bin Cheng	Non Executive, Non Independent	2	2

(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 endeavours 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 ₹ 337.49 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, 2019 are as under: **(₹ In Lakhs)**

Names of Director	Sitting Fee	Commission	Total
Mrs. Ruchi Naithani	6.00	Nil	6.00
Mr. Raj Khalid	5.40	Nil	5.40
Mr. Rajesh R. Muni	6.40	Nil	6.40

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
Mr. Rajesh R. Muni	Member

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 09th May, 2018, 07th August, 2018, 05th November, 2018 and 05th February, 2019.

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	3
Mr. Bin Cheng	Non Executive, Non Independent	4	3
Mr. Rajesh R. Muni	Independent	4	4

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 05th November, 2018.

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

(B) 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.

(C) Separate Meeting of Independent Directors.

During the year under review, the Independent Directors met on 05th February, 2019 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.

(D) 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 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

(E) Complaints received and redressed during the year 2018-19.

Opening Balance	Received during the year 2018-2019	Resolved during the year 2018-2019	Closing Balance
0	10	10	0

(F) Suspense Account for the unclaimed shares.

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

(G) Transfer of Unclaimed Dividend to IEPF.

During the year 2018 - 2019, the company has transferred the unclaimed dividend of ₹ 1,24,920/- for the financial year 2010-2011 to IEPF.

(H) 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.

(I) 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 2010-2011.

Information in respect of unclaimed dividends due to be transferred to IEPF is given below:

Dividend for the Financial Year	Date of Declaration of Dividend	Due date of transfer to IEPF
2011 - 2012	19th December, 2012	23rd January, 2020

(J) 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.

4. **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 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 42,30,000 equity shares to CAC Holdings Corporation, Promoter on a preferential basis. The company has utilized the funds for general corporate purposes including but not limited to, recapitalizing the overseas wholly owned subsidiaries and also increased the Net-worth of the Company. In the interim period the Company has deployed the funds into business to bring down the interest / finance cost on working capital funding facilities availed by the Company.

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. Malcolm F. Mehta (DIN: 03277490) is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

5. **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.

6. **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 unmodified opinion in audit report of the Company for the year 2018- 2019.

(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.

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

7. **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
2016	28/11/2016	"The Music Academy Mini Hall", TTK Road, Alwarpet, Chennai - 600 014.	09:00 A.M.	Yes(*)
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(*)

(*) Special Resolution passed in the previous AGM

Year	Purpose
2016	➢ Re-Appointment of Mr. R.Ramaraj as an Independent Director. ➢Consent under Section 180(1)(c) of the Companies Act, 2013 for Borrowings.
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.

(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 shareholders 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 28/06/2018 for:

➢ Change in the name of the Company from 'M/s. Accel Frontline Limited' to 'M/s. Inspirisys Solutions Limited' and consequent amendment to Memorandum of Association and Articles of Association of the Company.

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 For change in the name of the Company from 'M/s. Accel Frontline Limited' to 'M/s. Inspirisys Solutions Limited' and consequent amendment to Memorandum of Association and Articles of Association of the Company.	E-votes - 1,80,06,455 98.28%	E-votes - NIL
	Ballot votes-3,14,861 1.71%	Ballot votes - 76 0.02%
	Total Votes - 1,83,21,316 99.99%	Total Votes - 76 0.02%

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 26th June, 2018, 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 29th June, 2018 (09:00 A.M. onwards) till 28th July, 2018 (upto 5:00 P.M.) (either physically or through electronic mode).
- The Scrutinizer submitted his report on the result of Postal Ballot on 30th July, 2018 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	Tuesday, 17th September, 2019
Time	11: 00 A.M.
Venue	The Music Academy Mini Hall, TTK Road, Alwarpet, Chennai - 600 014.

(ii) Financial Year : April to March

Financial Calendar (Tentative)

Results for quarter ending 30th June, 2019	Mid August, 2019
Results for quarter ending 30th September, 2019	Mid November, 2019
Results for quarter ending 31st December, 2019	Mid February, 2020
Results for year ending 31st March, 2020	End May, 2020

(iii) Book Closure

Date of Book Closure	Wednesday, 11th September, 2019 to Tuesday, 17th September, 2019 (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 2019-2020 have been paid to the concerned Stock Exchanges.

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(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 2018	59.40	46.00	59.40	49.40
May 2018	64.85	45.30	64.85	46.00
June 2018	66.95	50.00	63.35	50.00
July 2018	57.15	43.35	57.50	43.55
August 2018	90.40	48.10	90.00	48.10
September 2018	85.00	64.45	85.30	65.00
October 2018	68.00	49.55	67.10	49.80
November 2018	65.45	58.10	66.90	57.55
December 2018	64.70	54.00	67.25	55.15
January 2019	59.90	48.95	61.90	49.00
February 2019	56.00	38.50	55.45	40.00
March 2019	57.90	49.60	59.25	45.65

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 2019.

Month	BSE Sensex Close	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month	Turnover (Lakhs)
April 2018	35,160.36	59.40	49.40	59.40	1,45,119	77.14
May 2018	35,322.38	64.85	46.00	54.05	73,775	39.83
June 2018	35,423.48	63.35	50.00	55.00	1,16,936	68.13
July 2018	37,606.58	57.50	43.55	50.65	53,511	27.99
August 2018	38,645.07	90.00	48.10	78.45	5,60,571	422.44
September 2018	36,227.14	85.30	65.00	66.35	2,10,588	166.65
October 2018	34,442.05	67.10	49.80	64.35	1,15,882	66.70
November 2018	36,194.30	66.90	57.55	63.05	64,284	40.34
December 2018	36,068.33	67.25	55.15	60.55	1,56,635	99.93
January 2019	36,256.69	61.90	49.00	50.60	34,879	19.47
February 2019	35,867.44	55.45	40.00	52.70	2,17,261	101.33
March 2019	38,672.91	59.25	45.65	54.05	1,93,964	97.77

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(ii) ISL share price on NSE vis-à-vis Nifty 100 Close price April - March 2019.

Month	Nifty 100 Close	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month	Turnover (Lakhs)
April 2018	11,145.90	59.40	46.00	59.40	1,38,728	73.85
May 2018	11,064.15	64.85	45.30	53.45	2,96,085	171.42
June 2018	10,993.45	66.95	50.00	54.25	1,76,168	100.57
July 2018	11,633.85	57.15	43.35	50.85	85,084	43.69
August 2018	12,003.10	90.40	48.10	77.55	17,80,632	1,356.75
September 2018	11,126.40	85.00	64.45	65.40	6,40,674	507.76
October 2018	10,604.60	68.00	49.55	63.60	4,36,238	254.44
November 2018	11,092.25	65.45	58.10	62.55	1,85,893	116.99
December 2018	11,110.15	64.70	54.00	58.15	2,09,841	126.27
January 2019	10,996.80	59.90	48.95	50.00	1,13,312	62.36
February 2019	10,959.90	56.00	38.50	51.00	1,09,303	51.07
March 2019	11,789.20	57.90	49.60	52.55	1,73,396	94.40

(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, 2019.

(a) Distribution of shareholding as on 31st March, 2019.

Shares - Range		Number of Share holders	% of Total Share holders	Total Shares for the Range	% of Issued Capital
From	To				
1	500	5,788	83.76%	7,03,153	2.07%
501	1,000	436	6.31%	3,66,959	1.08%
1,001	2,000	240	3.47%	3,80,247	1.12%
2,001	3,000	140	2.03%	3,61,172	1.06%
3,001	4,000	49	0.71%	1,72,751	0.51%
4,001	5,000	58	0.84%	2,71,989	0.80%
5,001	10,000	102	1.48%	7,31,068	2.15%
10,001 and above		97	1.40%	3,10,04,534	91.21%
Total		**6,910**	**100.00**	**3,39,91,873**	**100.00**

(b) Shareholding pattern as on 31st March, 2019.

Category	No. of shares held	% to the total paid up capital
Promoters		
Foreign	2,20,87,125	64.98%
Non Promoters		
Financial Institution/Banks	29,890	0.09%
Other Bodies Corporate	50,74,792	14.93%
NRIs	3,27,427	0.96%
Clearing Member	1,42,298	0.42%
Hindu Undivided Family	3,23,372	0.95%
Public	59,74,530	17.58%
IEPF	31,339	0.09%
NBFCs registered with RBI	1,100	0.00%

Capital of the Company

Authorized Capital	..	₹ 50,00,00,000
Paid-up Capital	..	₹ 33,99,18,730

(c) Top ten shareholders as on 31st March, 2019.

Sl. No.	Category	Name of the Shareholder	No. of Shares held	% to the total paid up capital
1	Promoter	CAC Holdings Corporation	2,20,87,125	64.98%
2	Non-Promoter	Amicorp Trustees (India) Private Limited	44,64,279	13.13%
3	Non-Promoter	Praful Mehta Deepak Mehta	3,83,509	1.13%
4	Non-Promoter	Kanchan Dungershi Dedhia Ashok Dungershi Dedhia	2,96,897	0.87%
5	Non-Promoter	Ashwin Dungershi Dedhia	2,92,228	0.86%
6	Non-Promoter	Kanta Dungershi Dedhia	2,32,997	0.69%
7	Non-Promoter	Rahul Kayan	2,30,450	0.68%
8	Non-Promoter	Ravindrakumar Vinaykumar Ruia Akshay Ravindrakumar Ruia	1,58,040	0.46%
9	Non-Promoter	Vejbai Dungershi Dedhia	1,50,382	0.44%
10	Non-Promoter	Satish Gopalakrishna Pillai	1,16,202	0.34%

Dematerialization of shares and liquidity

99.86% of the equity shares have been dematerialized as on 31st March, 2019.

The 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.

8. 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 on the Company for non-compliance of Listing Regulation 33, (submission of audited financial statement) for not adopting the audited financial results for the year ended 31st March, 2016 within the stipulated time of 30th May, 2016. Later, the Company had submitted the Audited Financial Results on 1st August, 2016.

(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 42,30,000 equity shares to CAC Holdings Corporation, Promoter on a preferential basis. The company has utilized the funds to bring down the interest / finance cost on working capital funding facilities availed by the Company.

(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 annexured hereto.

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

The company has paid ₹ 42 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.

9. 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.

10. 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. • 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.
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. • Role of the committee.
Stakeholder Relationship Committee	20	Yes	• Composition. • 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.

Particulars	Regulation Number	Compliance status (Yes/No/NA)	Compliance observed for the following
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.
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.
Obligations with respect to Independent Directors	25	Yes	• Maximum Directorship and tenure. • Meeting of Independent Directors. • Familiarization of Independent Directors.
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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COMPLIANCE CERTIFICATE

The Chairman & Chief Executive Officer and the Chief Financial Officer of the Company give annual certification to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Annual Certification given by the Chairman & Chief Executive Officer and the Chief Financial Officer is given below:

A. We have reviewed financial statements and the cash flow statement for the year 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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. They are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity 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.

D. We have indicated to the Auditors and the Audit Committee
   (1) significant changes in internal control over financial reporting during the year;
   (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (3) 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: Chennai	**Malcolm F. Mehta**	**Murali Gopalakrishnan**
Date: 09th May, 2019	Chairman & Chief Executive Officer	Chief Financial Officer

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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, 2019.

Place: Chennai	**Malcolm F. Mehta**
Date: 09th May, 2019	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.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Inspirisys Solutions Limited** having CIN L30006TN1995PLC031736 and having registered office at 1st Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010 (hereinafter referred to as 'the Company'), produced before me 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 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	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.	03277490	Malcolm Farrokh Mehta	07/05/2014
5.	06913491	Bin Cheng	13/08/2014

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

Place: Chennai
Date: August 01, 2019

M. Alagar
Practising Company Secretary
FCS No: 7488 / C P No.: 8196

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 October 2018.
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 2019, 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 2019.

   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

8. 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: 19206931AAAAAM1256

Place: Chennai
Date: 17 May 2019

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

Opinion

1. We have audited the accompanying standalone financial statements of Inspirisys Solutions Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, 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, 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 (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the 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 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 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, 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.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit matter	How the matter was addressed in the audit
<u>Fair value assessment of trade receivables</u> The Company has reported trade receivables of ₹ 17,706 lakhs as at 31 March 2019 and expected credit losses allowance of ₹ 1,437 lakhs as detailed in note 12. 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 is considered as a key audit matter.	Our audit work included but was not restricted to: • We obtained a detailed understanding of each operating segment's revenue recognition and receivables provisioning policies, design of controls and how they are applied. • We 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, 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. • 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.

Key Audit matter	How the matter was addressed in the audit
	• 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 of disclosures made in the financial statements with respect to the trade receivables and provisioning thereof.
Inventory valuation As detailed in note 11, Inventory of ₹ 1,000 lakhs as at 31 March 2019 comprise inventory pertaining to the services division amounts to ₹ 791 lakhs, net. 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, they are considered as a key audit matter.	Our audit work included but was not restricted to: • 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. • Challenge 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. • We have 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. • Review the historical accuracy of inventory provisions and level of write-offs during the year. • Compare 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.
Impairment of Subsidiaries The management has noted impairment indicators due to the continued operating losses and negative net worth of the subsidiaries as at 31 March 2019. As detailed in note 2, management has estimated the recoverable value of the investment in subsidiaries. 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.	Our audit work included but was not restricted to: • Review of management's identification of indicators of impairment; • We have 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; • 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 calculations • Evaluated the discount rate and growth rate used in the estimation of recoverable value. • Ensured appropriateness of disclosures made in the financial statements

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

6. 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 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 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 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 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

7. 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 state of affairs (financial position), profit (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

8. 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.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. 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.

11. 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 explaining our opinion on whether the company has adequate internal financial controls system 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.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

15. We did not audit the financial statement of Singapore branch included in the standalone financial statements of the Company whose financial statement reflects total assets and net assets of ₹ 282 Lakhs and ₹ 251 lakhs respectively as at 31 March 2019, and the total revenue and net cash inflows of ₹ 2,865 and ₹ 47 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 branch 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 in so far as it relates to the amounts and disclosures 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, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

16. The company has not paid / provided for managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

17. 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.

18. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report 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;

b) 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 reports 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) 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 is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 09 May 2019 as per Annexure B expressed unmodified opinion;

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:

i. the Company, as detailed in note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019.

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 2019.

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 2019;

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

Place: Chennai
Date: 09 May 2019

Annexure A to the Independent Auditor's Report of even date to the members of Inspirisys Solutions Limited (formerly known as Accel Frontline Limited), on the standalone financial statements for the year ended 31 March 2019.

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 schedules 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 principal amount and interest. Further, the loan advanced to Inspirisys Solutions IT Resources Limited (formerly known as Accel IT Resources Limited), a subsidiary company amounting to ₹ 792 lakhs (including interest) has been written off by the company during the current year vide board approval dated 09 May 2019.

(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. In our opinion, the company has complied with the provisions of Section 186 except Section 186 (5) of the act relating to prior approval of public financial institutions for loans given to Inspirisys IT Resources Limited (formerly known as "Accel IT Resources Limited"), the maximum amount outstanding during the year is ₹ 792 lakhs and the closing balances as at 31 March 2019 is Nil.

(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/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) The Company is regular in depositing 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
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
Jharkhand Value Added Tax, 2005	Penalty	1	-	2007-08	Joint Commissioner
Kerala Value Added Tax Act, 2003	Tax	1	-	2015-16	Assistant Commissioner (intelligence)
Uttar Pradesh Trade Tax Act, 1948	Tax	104	42	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
Rajasthan Value Added Tax, 2003	Tax	4	-	2011-12	Assistant Commissioner
Kerala Value Added Tax Act, 2003	Tax and Penalty	128	-	2013-14 and 2014-15	Deputy Commissioner (Appeals)
Customs and Excise Act, 1964	Tax, Interest and Penalty	411	175	2014-15	CESTAT
Income Tax Act, 1961	Income Tax	848	-	2005-06 to 2007-08	High Court
Income Tax Act, 1961	Income Tax	327	-	2008-09	CIT(A), Chennai
Income Tax Act, 1961	Income Tax	231	-	2010-11	High Court
Income Tax Act, 1961	Income Tax	248	-	2012-13	Commissioner of Income Tax (Appeals)

(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 placements 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

Place: Chennai
Date: 09 May 2019

Annexure B to the Independent Auditor's Report of even date to the members of Inspirisys Solutions Limited (formerly known as Accel Frontline Limited), on the standalone financial statements for the year ended 31 March 2019

Independent Auditor's Report on the Internal Financial Controls 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 known as Accel Frontline Limited) ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls 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. 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

3. Our responsibility is to express an opinion on the Company's IFCoFR 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') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal controls 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.

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

Sumesh E S
Partner
Membership No.: 206931

Place: Chennai
Date: 09 May 2019

Balance Sheet as at 31 March 2019

₹ in Lakhs

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	479	616
Goodwill	4	542	542
Other Intangible assets	4	313	499
Intangible assets under development	4	86	41
Financial assets			
- Investments	5	662	1,452
- Bank balances	6	966	1,310
- Trade receivables	12	128	45
- Other financial assets	7	468	417
Deferred tax assets (net)	8	-	-
Income tax assets (net)	9	4,618	4,715
Other non-current assets	10	470	511
		8,732	**10,148**
Current assets			
Inventories	11	1,000	1,280
Financial assets			
- Trade receivables	12	16,141	12,483
- Cash and cash equivalents	13	620	528
- Bank balances other than cash and cash equivalents	13	1	2
- Loans	14	210	795
- Other financial assets	7	443	476
Other current assets	15	2,970	2,422
		21,385	**17,986**
Total assets		**30,117**	**28,134**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	3,399	2,976
Other equity	17	87	(2,328)
Total equity		**3,486**	**648**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	4,133	3,876
Provisions	19	611	601
		4,744	**4,477**
Current liabilities			
Financial liabilities			
- Borrowings	18	11,265	13,440
- Trade payables	20		
Total outstanding dues of micro and small enterprises		4	3
Total outstanding dues of creditors other than micro and small enterprises		5,399	4,781
- Other financial liabilities	21	2,155	2,001
Other current liabilities	22	2,876	2,499
Provisions	19	188	285
		21,887	23,009
Total liabilities		**26,631**	**27,486**
Total equity and liabilities		**30,117**	**28,134**

Notes 1 to 42 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 : 09 May 2019

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
Date : 09 May 2019

Statement of Profit and Loss for the year ended 31 March 2019

₹ in Lakhs

Particulars	Note No.	For the Year ended 31 March 2019	For the Year ended 31 March 2018
Revenue			
Revenue from operations	23	44,449	40,089
Other income	24	813	635
Total Revenue		**45,262**	**40,724**
Expenses			
Cost of raw materials consumed	25	145	551
Purchases of stock-in-trade and stores and spares	26	22,102	18,349
Changes in inventories of stock in trade and stores and spares	27	310	800
Excise duty on sale of goods		-	118
Employee benefits expense	28	8,746	9,271
Impairment losses	29	1,628	1,161
Other expenses	30	9,711	8,365
Total expenses		**42,642**	**38,615**
Earnings before finance cost, depreciation and amortization		**2,620**	**2,109**
Finance costs	31	1,652	1,810
Depreciation and amortization expense	32	450	643
Profit / (loss) before tax and exceptional items		**518**	**(344)**
Exceptional items		-	(6,661)
Profit before tax		**518**	**6,317**
Tax expense			
Current tax	33	335	1,225
Deferred tax		-	-
		335	1,225
Profit for the year		**183**	**5,092**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement gains on defined benefit plans		33	59
- Income tax relating to items that will not be reclassified to profit and loss		7	-
Other comprehensive income for the year, net of tax		**26**	**59**
Total comprehensive income for the year		**209**	**5,151**
Earnings per equity share			
Basic and diluted (in ₹)	34	0.61	17.11

Notes 1 to 42 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 : 09 May 2019

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: 00193527

Rajesh Ramniklal Muni
Director
DIN: 03277490

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai
Date : 09 May 2019

Cash Flow Statement for the year ended 31 March 2019

₹ in Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**518**	**6,317**
Adjustments for:		
Exceptional items	-	(6,661)
Depreciation, amortization expense	450	643
Interest expense (including changes in financial instruments)	1,479	1,810
Interest Income	(184)	(501)
Impairment losses	1,628	1,161
Provision for inventory obsolescence	289	194
Provision for gratuity and compensated absences	(56)	(65)
Net unrealised foreign exchange loss / (gain)	136	(19)
Provision for warranty	(5)	18
Profit on sale of Property, plant and equipment	(13)	(7)
Operating profit before working capital changes	**4,242**	**2,890**
(Increase) / Decrease in inventories	(9)	781
(Increase) in trade receivables	(3,708)	(1,994)
(Increase) in other financial assets	(18)	(89)
Decrease / (Increase) in other non-current assets	41	(28)
(Increase) in other current assets	(548)	(354)
Increase in trade payables	619	1,962
Increase / (Decrease) in other financial liabilities	154	(982)
Increase / (Decrease) in other current liabilities	377	(70)
Cash generated from operating activities	**1,150**	**2,116**
Direct taxes paid, net	(238)	(517)
Net cash generated from in operating activities	**912**	**1,599**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work in progress)	(172)	(365)
Proceeds from sale of property, plant and equipment and intangible assets	13	14
Sale of non current investments	-	9,002
Direct taxes paid, net on sale of non current investments	-	(1,225)
Interest received	102	468
Loans to related parties	(104)	(216)
Net movement in bank deposits	344	(616)
Net cash generated from investing activities	**183**	**7,062**
C. Cash flow from financing activities		
Proceeds from / (repayment of) long term borrowings (net) (Also refer note 18(f))	17	(1,435)
Repayment of short term borrowings (net) (Also refer note 18(f))	(2,173)	(5,166)
Proceeds from issue of equity shares	2,629	-
Interest paid	(1,471)	(1,773)
Net cash (used) in financing activities	**(998)**	**(8,374)**
D. Net change in cash and cash equivalents	97	287
E. Cash and cash equivalents at the beginning	528	241
Effects of foreign currency translation	(5)	-
F. Cash and cash equivalents at the end	**620**	**528**
Cash and cash equivalents include		
Cash on hand	6	3
Balances with banks in current accounts	614	525
Cash and cash equivalents as per note 13	**620**	**528**

Notes 1 to 42 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 : 09 May 2019

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: 00193527

Rajesh Ramniklal Muni
Director
DIN: 03277490

Murali Gopalakrishnan
Chief Financial Officer

S Sundaramurthy
Company Secretary

Place : Chennai
Date : 09 May 2019

Statement of Changes in Equity for the year ended 31 March 2019

₹ 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 2017	2,976	859	(14,980)	6,857	(215)	(4,503)
Profit for the year	-	-	5,092	-	-	5,092
Other comprehensive income	-	-	-	-	59	59
Balances as at 31 March 2018	**2,976**	**859**	**(9,888)**	**6,857**	**(156)**	**648**
Profit for the year	-	-	183	-	-	**183**
Other comprehensive income	-	-	-	-	26	**26**
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**

Notes 1 to 42 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 : 09 May 2019

For and on behalf of the Board of Directors of

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Chief Financial Officer

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Company Secretary

Place : Chennai
Date : 09 May 2019

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, 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 group

The Company has applied the following standards and amendments for the fist time for the annual reporting period commencing 01 April 2018:

- Ind AS 115, Revenue from contracts with customers
- Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

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.

Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

Recognition of deferred tax assets

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 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.

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.

Goodwill of the Company is not amotised 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 are not subject to amortization and 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.

Effective April 1, 2018, the Company 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 Company 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 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).

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.

Services (Infra / Security / Cloud / 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.

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

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

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, 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 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 determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is / or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease period. Associated costs, such as maintenance and insurance, are expensed as incurred.

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) Provisions and contingencies

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 as at fair value through profit and loss.

Loans and Borrowings.

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 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) Products / Hardware 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 2019.

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 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 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 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 2019 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

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 Standard for leases, Ind AS 17, 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. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date of adoption of Ind AS 116 is annual periods beginning on or after 01 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 12 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. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 01 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Amendment to Ind AS 12 – Income taxes :

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement :

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

● to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

● to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation :

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment does not expect to have any impact on its financial statements.

Ind AS 23 – Borrowing Costs :

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. This amendment does not expect to have any impact on its financial statements.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements :

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. This amendment does not expect to have any impact on its financial statements.

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Notes forming part of Standalone Financial Statements for the year ended 31 March 2019

4 Property, plant and equipment and Intangible assets

₹ in Lakhs

Particulars	PROPERTY, PLANT AND EQUIPMENT							INTANGIBLE ASSETS		
	Leasehold improvements	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 2017	**62**	**118**	**73**	**30**	**500**	**69**	**852**	**864**	**1,027**	**-**
Additions	222	7	2	16	65	1	313	-	11	41
Deletions	(11)	-	-	-	-	(10)	(21)	-	-	-
Balance as at 31 March 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**
Accumulated depreciation/amortization										
Balance as at 31 March 2017	**35**	**17**	**13**	**18**	**192**	**21**	**296**	**161**	**303**	**-**
Charge for the year	51	18	13	9	137	18	246	161	236	-
Reversal on deletions	(11)	-	-	-	-	(3)	(14)	-	-	-
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**	**-**
Net Block										
Balance as at 31 March 2018	**198**	**90**	**49**	**19**	**236**	**24**	**616**	**542**	**499**	**41**
Balance as at 31 March 2019	**137**	**74**	**40**	**23**	**188**	**17**	**479**	**542**	**313**	**86**

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 18(a)).

₹ in Lakhs

Particulars	31 March 2019		31 March 2018	
	Gross block	Net block	Gross block	Net block
Vehicles	24	22	37	14
Computers	-	-	74	16
Total	**24**	**22**	**111**	**30**

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). 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.

	31 March 2019
Sales growth rate (%)	10
Long term growth rate (%)	2
Budgeted EBIDTA (%)	20-24
Budgeted EBIT (%)	10-17
Pre-tax discount rate (%)	19.36

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 2019

₹ in Lakhs

	Particulars	Number	Face value	As at 31 March 2019	As at 31 March 2018
5	**Investments**				
	Non - current investments				
i)	**Investment carried at cost**				
	Investment in equity instruments in subsidiaries (fully paid-up) (Unquoted)				
	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
	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 29)			(807)	(17)
			Total (a)	**662**	**1,452**
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)**	**662**	**1,452**
	Aggregate amount of unquoted investments			1,499	1,499
	Aggregate amount of impairment in value of investments			(837)	(47)
	Extent of investment in subsidiaries				
	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 other than the investment in Inspirisys Solutions IT Resources Limited (formerly known as "Accel IT Resources Limited") was determined by an independent valuation expert. The recoverable amount (value in use) of all the 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 subsidiary operates. There were no impairment on investments that were recorded in books during the previous year.

Notes forming part of Standalone Financial Statements for the year ended 31 March 2019

₹ in Lakhs

	Particulars	As at 31 March 2019	As at 31 March 2018
6	**Bank balances**		
	Balances with bank held as margin money	966	1,310
		966	**1,310**

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.

7	**Other financial assets**	As at 31 March 2019		As at 31 March 2018	
		Non-current	Current	Non-current	Current
	(Unsecured, considered good unless otherwise stated)				
	Security deposits	237	-	210	229
	Rental deposits	231	180	207	178
	Other receivables	-	253	-	58
	Other advances				
	- Considered good	-	10	-	11
	- Considered doubtful	-	31	-	31
		468	**474**	**417**	**507**
	Less: Allowance for credit loss	-	(31)	-	(31)
		468	**443**	**417**	**476**

	Particulars	As at 31 March 2019	As at 31 March 2018
8	**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	(121)	(189)
		(121)	(189)
	Deferred tax asset arising on account of :		
	- Provision for employee benefits	288	340
	- Allowances for expected credit loss	448	494
	- Provision for inventory	146	145
	- Impairment in value of investments	168	5
	- Unabsorbed Depreciation and business loss	2,746	3,131
	- Minimum alternative tax credit available	335	-
	- Others	32	34
		4,163	4,149
	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 2019 and 31 March 2018 and consequently reconciliation for the same is not disclosed. the same is not disclosed.

	Particulars	As at 31 March 2019	As at 31 March 2018
9	**Income tax assets (net)**		
	Advance Tax (net of provision for tax)	4,618	4,715
		4,618	**4,715**

Notes forming part of Standalone Financial Statements for the year ended 31 March 2019

₹ in Lakhs

	Particulars	As at 31 March 2019	As at 31 March 2018
10	**Other non-current assets**		
	Balances with government authorities	344	365
	Prepaid expenses	126	146
		470	**511**
11	**Inventories**		
	Raw materials	74	73
	Finished goods	168	704
	Stores and spares*	1,225	968
	Less: Provision for inventory obsolescence	(467)	(465)
		1,000	**1,280**

** Includes goods in transit of ₹ 17 lakhs (previous year ₹ 25 lakhs)*

12	**Trade receivables**	**As at 31 March 2019**		**As at 31 March 2018**	
		Non-current	**Current**	**Non-current**	**Current**
	a) Considered good, unsecured	128	16,141	45	12,483
	b) Receivables which have significant increase in credit risk	-	1,437	-	1,583
		128	**17,578**	**45**	**14,066**
	Allowances for expected credit loss				
	Receivables which have significant increase in credit risk	-	(1,437)	-	(1,583)
		128	**16,141**	**45**	**12,483**

Trade receivables include due from related parties amounting to ₹ 2,896 lakhs (31 March 2018: ₹ 2,051 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.

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 (reversed)/ provided an amount of ₹ 192 lakhs and ₹ 46 Lakhs (previous year ₹ 283 lakhs and ₹ 918 Lakhs) with the impairment losses. (Also refer note 29).

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 2019**	**As at 31 March 2018**
Balance at beginning of the year	1,583	948
Additions/(reversal) during the year, net (Also refer note 29)	46	918
Utilised during the year	(192)	(283)
Balance at end of the year	**1,437**	**1,583**

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Notes forming part of Standalone Financial Statements for the year ended 31 March 2019

₹ in Lakhs

	Particulars		As at 31 March 2019	As at 31 March 2018
13	**Cash and bank balances**			
	Cash and cash equivalents			
	Cash on hand		6	3
	Balances with banks - current accounts		614	525
		(A)	**620**	**528**
	Bank balances other than mentioned in cash and cash equivalents			
	Unpaid dividend account		1	2
		(B)	**1**	**2**
		Total (A+B)	**621**	**530**
14	**Loans**			
	(Unsecured considered good unless otherwise stated)			
	Loans and advances to related parties			
	Considered good		210	795
	Considered doubtful		54	54
			264	849
	Less: Allowance for credit loss		(54)	(54)
			210	**795**
15	**Other current assets**			
	Unbilled revenue		878	726
	Balances with government authorities		128	49
	Prepaid expenses		1,879	1,570
	Other advances		19	21
	Supplier advances		66	56
			2,970	**2,422**

	Particulars	As at 31 March 2019		As at 31 March 2018	
		Nos.	**Amount**	**Nos.**	**Amount**
16	**Equity Share Capital**				
	Authorized				
	Equity shares of ₹ 10 each	50,000,000	5,000	33,000,000	3,300
	Issued, subscribed and fully paid up				
	Equity shares of ₹ 10 each	33,991,873	3,399	29,761,873	2,976
		33,991,873	**3,399**	**29,761,873**	**2,976**
a)	**Reconciliation of number of shares**				
	Equity shares				
	Opening balance	29,761,873	2,976	29,761,873	2,976
	Issued during the year	4,230,000	423	-	-
	Closing Balance	**33,991,873**	**3,399**	**29,761,873**	**2,976**
b)	**Shares held by the holding company**				
	Equity shares of ₹ 10 each				
	CAC Holdings Corporation	22,087,125	2,209	17,857,125	1,786

Notes forming part of Standalone Financial Statements for the year ended 31 March 2019

₹ in Lakhs

Particulars	As at 31 March 2019 Nos.	As at 31 March 2019 % holding	As at 31 March 2018 Nos.	As at 31 March 2018 % holding
c) Shareholders holding more than 5% of the aggregate shares in the Company				
Equity shares of ₹ 10 each				
CAC Holdings Corporation, Holding company	22,087,125	64.98%	17,857,125	60%
Amicorp Trustees (India) Private Limited (Also, refer note (f) below)	4,464,279	13.13%	4,464,279	15%

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 2019.

f) 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 13.13% (previous year: 15%) 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.

g) 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

In order to maintain or adjust the capital structure, the Company may adjust the return capital to shareholders, issue new shares, or sell investments / other assets to reduce debt.

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 2019	As at 31 March 2018
Borrowings		15,402	17,326
Cash and bank balances		(1,587)	(1,840)
Net debt	**(A)**	**13,815**	**15,486**
Total equity	**(B)**	**3,486**	**648**
Overall financing	**(A+B)**	**17,301**	**16,134**
Gearing ratio		**80%**	**96%**

	Particulars	As at 31 March 2019	As at 31 March 2018
17	**Other Equity**		
	Securities premium		
	Balance at the beginning of the year	6,857	6,857
	Additions made during the year	2,206	-
	Balance at the end of the year	**9,063**	**6,857**

Notes forming part of Standalone Financial Statements for the year ended 31 March 2019

₹ in Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
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	(9,888)	(14,980)
Add : Transferred from statement of profit and loss	183	5,092
Balance at the end of the year	**(9,705)**	**(9,888)**
Accumulated other comprehensive income		
Balance at the beginning of the year	(156)	(215)
Add : Transfer from other comprehensive income	26	59
Balance at the end of the year	**(130)**	**(156)**
Total Other equity	**87**	**(2,328)**

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 2019		As at 31 March 2018	
		Non-current	Current	Non-current	Current
18 Borrowings					
(i) Secured					
From Banks					
Finance lease obligations (Also, refer note (a) below)		19	4	8	10
Letter of credit		-	2,956	-	4,240
From Others					
Loan against keyman insurance policy		-	-	-	154
(Also refer note (b) below)	A	19	2,960	8	4,404
Less: Current maturities of long-term borrowings			(4)	-	(10)
	B				
	C (A-B)	**19**	**2,956**	**8**	**4,394**
(ii) Unsecured					
Loans repayable on demand					
From Banks					
Cash credit		-	2,270	-	3,409
Other borrowings					
From Banks					
Working capital demand loan		-	4,539	-	4,537
Short term loan		-	1,500	-	1,100
From others					
Loans and advances from related parties (Also refer note (c) below)		4,114	-	3,868	-
	D	4,114	8,309	3,868	9,046
Total Borrowings	(C+D)	4,133	11,265	3,876	13,440

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 2019		As at 31 March 2018	
Payments falling due:	**MLP**	**PV of MLP**	**MLP**	**PV of MLP**
Payable not later than 1 year	6	4	11	10
Payable later than one year but not later than 5 years	21	19	9	8
Total	**27**	**23**	**20**	**18**
Less: Amounts representing interest	(4)	-	(2)	-
	23	**23**	**18**	**18**

b) Represents loan availed from Life Insurance Corporation of India, repayable at the time of maturity of the policy or adjustment with maturity value of the policy and is secured against the keyman insurance policy placed with them, which is fully paid up. During the year, the Company had closed the loan on maturity.

c) The loans and advances from related parties represents loan from the holding company, CAC Holdings Corporation, to the tune of ₹ 4,114 lakhs (including interest payable) (As at 31 March 2018: ₹ 3,868) with an interest rate of 4.5 % + 6 months LIBOR rate, per annum; the entire amount being repayable in 2021-22.

	Particulars	As at 31 March 2019	As at 31 March 2018
d)	**Details of guarantee**		
	Guaranteed by holding company		
	From banks		
	- Working capital demand loan	4,539	4,537
	- Short term loan	1,500	1,100
	- Cash credit	2,270	3,409
	- Letter of credit	2,956	4,240

e) Details of security

- The Company has availed a working capital demand loan worth ₹ 4,539 (as at 31 March 2018: ₹ 4,537) valid till 31 March 2020 from Sumitomo Mitsui Banking Corporation at an interest rate of 10.1% (as at 31 March 2018: 9.5%) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.
- The Company has also availed a short term loan facility ₹ 1,500 (as at 31 March 2018: ₹ 1,100) 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.
- Cash credits guaranteed by holding company represents:

i) The Company has availed a cash credit facility worth ₹ 1867 (as at 31 March 2018: ₹ 3,314) 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 ₹ 403 (as at 31 March 2018: ₹ 95) 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 2019

₹ in Lakhs

Particulars	Long term As at 31 March 2019	Short term As at 31 March 2019
f) Reconciliation for cash flow statement		
Opening balance	3,876	13,440
Cash inflow / Cash outflow (net)	17	(2173)
Exchange loss / (gain) on restatement	246	-
Interest expense	(345)	(1,134)
Interest paid	339	1,132
Closing balance	**4,133**	**11,265**

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
19 Provisions				
Provisions for employee benefits				
Gratuity (Also refer note (a(i)) below)	519	78	510	176
Compensated absences (Also refer note (a(ii)) below)	61	38	55	37
Provision for warranty (Also refer note (b) below)	31	72	36	72
	611	**188**	**601**	**285**

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:

Particulars	As at 31 March 2019	As at 31 March 2018
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	746	778
Current service cost	79	94
Interest cost	52	52
Actuarial (gain)	(26)	(55)
Past service cost	-	27
Benefits paid	(122)	(150)
Projected benefit obligation at the end of the year	**729**	**746**
Change in plan assets		
Fair value of plan assets at the beginning of the year	59	7
Employer contributions	188	199
Benefits paid	(122)	(150)
Actuarial gain on plan assets	7	4
Fair value of plan assets at the end of the year	**132**	**60**
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	729	746
Fair value of plan assets at the end of the year	132	60
Liability recognized in the balance sheet	**597**	**686**

Particulars	As at 31 March 2019	As at 31 March 2018
Thereof		
Unfunded	597	686
Components of net gratuity costs are		
Current service cost	79	94
Past service cost	-	27
Interest cost	52	52
Total amount recognised in the statement of profit or loss	**131**	**173**
Actuarial (gain)	(33)	(59)
Total amount recognised in other comprehensive income	(33)	(59)
Net gratuity cost	**98**	**114**
Principal actuarial assumptions used :		
Discount rate	6.65%	7.00%
Long-term rate of compensation increase	8.00%	8.00%
Expected rate of return on plan assets	8.00%	8.00%
Average remaining life (in years)	23	24
Attrition rate		
Upto 30 years	39.89%	38.02%
31 to 44 years	32.50%	32.85%
Above 44 years	20.30%	22.71%

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 2019-20. The weighted average duration of the defined benefit obligation as at 31 March 2019 is 3 years (31 March 2018: 3 years).

Employee benefits - Maturity profile

Particulars	Less than 3 Years	Between 2-5 Years	Between 6-10 years	Over 10 year	Total
31 March 2019					
Defined benefit obligation	213	470	202	50	936
31 March 2018					
Defined benefit obligation	236	483	187	47	953

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 2019.

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Notes forming part of Standalone Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

	Attrition rate		Discount rate		Future salary increases	
	increases	Decrease	increases	Decrease	increases	Decrease
31 March 2019						
> Sensitivity Level	1%	1%	1%	1%	1%	1%
> Defined benefit obligation	(30)	60	(20)	29	27	(19)
31 March 2018						
> Sensitivity Level	1%	1%	1%	1%	1%	1%
> Defined benefit obligation	(36)	58	(23)	24	22	(22)

(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 2019	As at 31 March 2018
	Principal actuarial assumptions used		
	Discount rate	6.65%	7.00%
	Long-term rate of compensation increase	8.00%	8.00%
	Attrition rate		
	Upto 30 years	39.89%	38.02%
	31 to 44 years	32.50%	32.85%
	Above 44 years	20.30%	22.71%
b)	**Provision for warranty**		
	Balance at the beginning of the year	108	90
	Created during the year, net	-	18
	Utilised/reversed during the year	(5)	-
	Balance at the end of the year	**103**	**108**

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.

	Particulars	As at 31 March 2019	As at 31 March 2018
20	**Trade payables**		
	Total outstanding dues of micro and small enterprises*	4	3
	Total outstanding dues of creditors other than micro and small enterprises	5,399	4,781
		5,403	**4,784**
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	4	3
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	-	-
		4	3

*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 2019 and 31 March 2018 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.

21 Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Financial liabilities at fair value through profit and loss		
Current		
Current maturities of finance lease obligations	4	10
Unpaid dividends	1	2
Employee related payables	855	609
Other accrued liabilities	1,295	1,380
Total financial liabilities	**2,155**	**2,001**

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	368	384
Unearned revenue	2,508	2,115
	2,876	**2,499**

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
23 Revenue from operations		
Sale of goods (including excise duty)	23,709	20,800
Sale of services*	20,715	19,289
Other operating income	25	-
Revenue from operations (gross)	**44,449**	**40,089**

Effective from 01 April 2018, the Company adopted Ind AS 115 "Revenue from contracts with customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

Disaggregation revenue by nature of services is as follows:

Nature of services		
Products / Hardware	23,709	20,800
Services	18,466	17,311
Warranty Management Services	2,274	1,978
	44,449	**40,089**

24 Other income

Interest income from financial assets at amortised cost	184	468
Unwinding of discount on deposits	25	33
Net gain on foreign currency transactions & translations	20	-
Liabilities no longer required written back **	556	-
Other non-operating income	28	134
	813	**635**

** During the year, the management has assessed the long outstanding payables and accrued liabilities as at 31 March 2019 and in the absence of any claims made by these vendors for the period exceeding 3 years, the liabilities were written back to the statement of profit and loss amounting to ₹ 556 lakhs (previous year: Nil).

Notes forming part of Standalone Financial Statements for the year ended 31 March 2019

₹ in Lakhs

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
25	**Cost of raw materials consumed**		
	Opening stock (Net of provision)	14	189
	Add : Purchases during the year	175	376
	Less: Closing stock (Net of provision)	(44)	(14)
		145	**551**
26	**Purchases of stock-in-trade & stores and spares**		
	Purchases of stock-in-trade & stores and spares	22,102	18,349
		22,102	**18,349**
27	**Changes in inventories of stock-in-trade and stores and spares**		
	Opening stock:		
	Stock-in-trade	704	589
	Stores and spares	968	3,462
	Less: Provision for inventories	(406)	(419)
		1,266	**3,632**
	Closing stock:		
	Stock-in-trade	168	704
	Stores and spares	1,225	968
	Less: Provision for inventories	(437)	(406)
		956	**1,266**
	Less: Transferred to exceptional items	-	(1,566)
	Net decrease in inventories	**310**	**800**
28	**Employee benefits expense**		
	Salaries and wages	8,008	8,409
	Gratuity expense (Also, refer note 19)	131	173
	Contribution to provident and other defined contribution funds	504	590
	Staff welfare expenses	103	99
		8,746	**9,271**
29	**Impairment loss**		
	Write-off of loan to related party (Also refer note below)	792	-
	Allowances for credit loss in trade receivables	46	1,161
	Impairment of investments (Also refer note below)	790	-
		1,628	**1,161**

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 quarter 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.

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Notes forming part of Standalone Financial Statements for the year ended 31 March 2019

₹ in Lakhs

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
30	**Other expenses**		
	Sub-contracting and outsourcing cost	5,873	4,150
	Rent (Also refer note 38)	915	925
	Legal and professional fees	765	850
	Travelling and conveyance	580	720
	Freight and forwarding	353	436
	Communication expenses	265	250
	Power and fuel	188	205
	Miscellaneous expenses	194	150
	Insurance	77	102
	Rates and taxes	74	46
	Repairs and maintenance		
	-Others	65	121
	-Equipments	5	4
	Leased premises	234	248
	Printing and stationery	61	63
	Payments to auditors*		
	Statutory audit #	37	54
	Limited review	5	3
	Reimbursement of expenses	2	2
Directors' sitting fees		18	18
Provision for warranty		-	18
		9,711	**8,365**

** excluding applicable taxes*

 # Previous year amount includes overruns relating to 2016-17 ₹ 15

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
31	**Finance costs**		
	Interest expenses	1,479	1,621
	Other borrowing costs	120	189
	Exchange differences regarded as an adjustment to borrowing costs	53	-
		1,652	**1,810**
32	**Depreciation and amortization expense**		
	Depreciation of tangible assets (Also, refer note 4)	264	246
	Amortization of intangible assets (Also, refer note 4)	186	397
		450	**643**

33 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 21.55% (March 2018: 23.07%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Accounting profit before taxes	518	6,317
Enacted tax rates**	21.55%	23.07%
Tax on profit at enacted tax rate	112	1,457
Tax Impact on the following items:		
- Origination and reversal of temporary differences (Net)	213	317
- Penalties not deductible for tax	10	-
- Indexation benefit on sale of long term Investment	-	(79)
- Loss on sale of Investment	-	(108)
- Unabsorbed depreciation of earlier years utilised	-	(295)
- MAT credit pertaining to earlier years utilised	-	(67)
Actual tax expense	**335**	**1,225**
Current tax	335	1,225
Tax expense reported in the statement of profit and loss	**335**	**1,225**

**The effective tax rate considered is 21.55%(previous year 23.07%) because the Company is subject to minimum alternate tax in the current year (capital gains in the previous year).

Notes forming part of Standalone Financial Statements for the year ended 31 March 2019

₹ in Lakhs

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
34	**Earnings per equity share**		
	Nominal value of equity shares (in ₹)	10	10
	Profit attributable to equity shareholders (A)	183	5,092
	Weighted average number of equity shares outstanding during the year (B)	297.72	297.60
	Basic and diluted earnings per equity share (A/B) (in ₹)	0.61	17.11

35 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
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)
Raj Khalid	Independent Director
Bin Cheng	Non-Independent, Non-Executive Director
Rajesh Ramniklal Muni	Independent Director
Ruchi Naithani	Independent Director

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Notes forming part of Standalone Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

b) **Transactions with related parties**

Name of the related party	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services		
CAC Holdings Corporation, Tokyo, Japan	74	12
Network Programs (USA) Inc., USA	44	57
Inspirisys Solutions North America Inc., (Formerly Accel North America Inc., USA)	1,210	1,282
CAC America Corporation	40	-
Accel Frontline DMCC, Dubai	3	-
Inspirisys Solutions Europe Limited, UK (Formerly Accel Technologies Ltd, UK)	-	29
Interest expense		
CAC Holdings Corporation, Tokyo, Japan	290	234
Accel Limited, Chennai	-	45
Reimbursements		
CAC Holdings Corporation, Tokyo, Japan	256	249
CAC Corporation, Tokyo, Japan	142	22
Inspirisys Solutions North America Inc., (Formerly Accel North America Inc., USA)	52	-
Interest income		
Accel Frontline DMCC, Dubai	15	16
Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited, India)	76	55
Remuneration*		
Malcolm F Mehta #	256	249
Murali Gopalakrishnan	64	14
S Sundaramurthy	19	14
Raj Khalid	6	5
Rajesh Ramniklal Muni	6	5
Ruchi Naithani	6	5
R Neelakantan	-	34
Ramaraj	-	2
Sub-contracting and outsourcing cost		
CAC Corporation, Tokyo, Japan	68	10
Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited, India)	-	22
Rent		
Accel Limited, Chennai	-	63
Accel Transmatic Limited, Chennai	-	6

*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.

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Notes forming part of Standalone Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

c) Balance with related parties

Name of the related party	As at 31 March 2019	As at 31 March 2018
Advances/ Amount recoverable		
CAC Holdings Corporation, Tokyo, Japan	2	13
Accel Frontline DMCC, Dubai	210	181
Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited, India)	-	622
Inspirisys Solutions Europe Limited, UK (Formerly Accel Technologies Ltd, UK)	54	54
Loans Payable		
CAC Holdings Corporation, Tokyo, Japan	4,114	3,868
Trade receivables		
CAC Holdings Corporation, Tokyo, Japan	74	-
CAC Corporation, Tokyo, Japan	-	1
Network Programs (USA) Inc., USA	174	159
Inspirisys Solutions North America Inc., (Formerly Accel North America Inc., USA)	2,605	1,860
Inspirisys Solutions Europe Limited, UK (Formerly Accel Technologies Ltd, UK)	30	31
CAC America	15	-
Unbilled revenue		
Inspirisys Solutions North America Inc., (Formerly Accel North America Inc., USA)	99	97
Guarantee received		
CAC Holdings Corporation, Tokyo, Japan	25,500	25,500
Payables		
CAC Corporation, Tokyo, Japan	13	-
Inspirisys Solutions North America Inc., (Formerly Accel North America Inc., USA)	16	-

d) Maximum balances outstanding during the year in accordance with Schedule V of SEBI (LODR) Regulations, 2015

	Year ended 31 March 2019		Year ended 31 March 2018	
Name of the related party	Loans received	Advances / Amounts recoverable	Loans received	Advances / Amounts recoverable
CAC Holding Corporation, Tokyo, Japan	4,353	27	3,934	27
CAC Corporation, Tokyo, Japan	-	1	-	1
Accel Limited, Chennai	-	-	1,366	-
Accel Frontline DMCC, Dubai	-	211	-	181
Network Programs (USA) Inc., USA	-	-	-	8
Inspirisys Solutions IT Resources Limited (Formerly Accel IT Resources Limited, India)	-	792	-	622
Inspirisys Solutions Europe Limited, UK (Formerly Accel Technologies Ltd, UK)	-	54	-	54
Accel Transmatic Limited, Chennai	-	-	-	3

Notes forming part of Standalone Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

36 Fair value measurement

a) Financial instruments by category

	As at 31 March 2019			As at 31 March 2018		
	Amortized cost	**Total carrying value**	**Fair value @**	**Amortized cost**	**Total carrying value**	**Fair value @**
Financial assets						
Investment*	-	-	-	-	-	-
Trade receivables	16,269	16,269	16,269	12,528	12,528	12,528
Cash and cash equivalents	620	620	620	528	528	528
Bank balances	967	967	967	1,312	1,312	1,312
Loans	210	210	210	795	795	795
Other financial assets	911	911	911	893	893	893
Total financial assets	**18,977**	**18,977**	**18,977**	**16,056**	**16,056**	**16,056**
Financial liabilities						
Borrowings	15,398	15,398	15,398	17,316	17,316	17,316
Trade payables	5,403	5,403	5,403	4,784	4,784	4,784
Other financial liabilities	2,155	2,155	2,155	2,001	2,001	2,001
Total financial liabilities	**22,956**	**22,956**	**22,956**	**24,101**	**24,101**	**24,101**

* 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.

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 2019	Year ended 31 March 2018
Interest-bearing loans and borrowings:		
Floating rate borrowings	4,114	3,868
Fixed rate borrowings	11,284	13,458

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 2019 ₹ in Lakhs

37. 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 results from both its operation 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 and equity to a reasonably possible change in interest rates of +/- 1% for the year ended 31 March 2018 (31 March 2017: +/- 1%, 1 April 2016: +/- 1%). 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 2019**	**Year ended 31 March 2018**
Increase in interest rate / (Decrease) in profit for the year	+1%	41.14	38.68
(Decrease) in interest rate / Increase in profit for the year	-1%	(41.14)	(38.68)

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:-

Particulars	**Foreign currency exposure (in ₹)**		
	USD	**GBP**	**AED**
31 March 2019			
Financial assets	3,186	78	4
Financial liabilities	4,149	-	-
31 March 2018			
Financial assets	2,578	41	-
Financial liabilities	3,826	-	-

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 2019 (31 March 2018: 1%), +/- 1% change of the AED/₹ exchange rate for the year ended 31 March 2019 (31 March 2018: 1%) and a +/- 1% change is considered for the GBP/₹ exchange rate for the year ended at 31 March 2019 (31 March 2018: 1%).

If the ₹ had strengthened against the USD by 1% during the year ended 31 March 2019 (31 March 2018: 1%), AED by 1% during the year ended 31 March 2019 (31 March 2018: 1%) and GBP by 1% during the year ended 31 March 2019 (31 March 2018: 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 2019 ₹ in Lakhs

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax			
USD	+1%	(10)	(12)
GBP	+1%	1	-
AED	+1%	-	-
Equity before tax			
USD	+1%	10	(12)
GBP	+1%	(1)	-
AED	+1%	-	-

If ₹ had weakened against the USD by 1% during the year ended 31 March 2019 (31 March 2018: 1%) and GBP by 1% during the year ended 31 March 2019 (31 March 2018: 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 2019	31 March 2018
Classes of financial assets		
Trade receivables	16,269	12,528
Cash and bank balance	1,587	1,840
Loans	210	795
Other Financials assets	911	893

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.

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.

Notes forming part of Standalone Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

As at 31 March, the Company's non-derivative financial liabilities have contractual maturities as summarised below:

As at 31 March 2019	Current		Non Current
Particulars	**Within 6 months**	**6 to 12 months**	**1 to 5 years**
Borrowings	3,641	9,098	4,262
Trade and other payables	5,403	-	-
Other financial liabilities	2,155	-	-
As at 31 March 2018			
Borrowings	2,966	10,474	4,289
Trade and other payables	4,784	-	-
Other financial liabilities	2,001	-	-

38 Leases

Disclosures in respect of non-cancellable operating leases

The lease rentals charged for the years ended 31 March 2019 and 2018 and maximum obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year	345	279
(ii) Due later than one year and not later than five years	46	312
	391	**591**
Lease payments charged off to the statement of profit and loss	915	925

39 Contingent liabilities

Sales tax	236	373
Income tax	770	1,650
Customs duty	236	236
Others	188	188
	1,430	**2,447**

40 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.

41 Corporate Social Responsibility

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 during the year since the average net profit calculation as per Section 198 of the Companies Act, 2013 was negative.

42 Events after the reporting period

Pursuant to Board approval dated 09 May 2019 the company has proposed to make further issue of equity share capital to CAC Holdings Corporation, Tokyo, Japan of 5,625,000 shares. The company has initiated the process to get approval from share holders through postal ballot.

Notes 1 to 42 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 : 09 May 2019

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
Date : 09 May 2019

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	**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 31-03-2019	As on 31-03-2019	As on 31-03-2019	As on 31-03-2019	As on 31-03-2019	As on 31-03-2019
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 31-03-2019 - 18.87	USD - Exchange Rate as on 31-03-2019 - 69.17	GBP - Exchange Rate as on 31-03-2019 - 90.48	JPY - Exchange Rate as on 31-03-2019 - 0.63	USD - Exchange Rate as on 31-03-2019 - 69.17	INR
Share capital	57	453	18	116	35	300
Reserves & surplus	(1,587)	(1,884)	(208)	(1,027)	(398)	(258)
Total assets	8,668	2,025	1	316	402	50
Total Liabilities	10,199	3,456	192	1,227	765	7
Investments	-	-	-	-	-	-
Turnover	5,866	3,384			50	824
Profit before taxation	(353)	(193)	(27)	(348)	(17)	619
Provision for taxation	-	-	-	-	-	3
Profit after taxation	(353)	(343)	(27)	(348)	(17)	616
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
Date : 09 May 2019

Independent Auditor's Report

To the Members of Inspirisys Solutions Limited
(formerly known as Accel Frontline Limited)

Report on the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Inspirisys Solutions Limited (formerly known as "Accel Frontline Limited") ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, 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, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branch 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 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 (consolidated financial position) of the Group as at 31 March 2019, and its consolidated loss (consolidated financial performance including other comprehensive income), its 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 15 of the Other Matters paragraph belowis 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 consolidated 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 the matter was addressed in the audit
<u>Fair value assessment of trade receivables relating to Holding Company</u>. The Group has reported total trade receivable and expected credit losses allowance of ₹ 22,341 lakhs and ₹ 1,593 lakhs respectively of which trade receivables relating to the Holding Company as at 31 March 2019 is ₹ 17,706 lakhs and expected credit losses allowance of ₹ 1,437 lakhs respectively as detailed in note 12. 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.	Our audit work included but was not restricted to: • We obtained a detailed understanding of each operating segment's revenue recognition and receivables provisioning policies, design of controls and how they are applied. • We 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, 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 the matter was addressed in the audit
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 is considered as a 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 of disclosures made in the financial statements with respect to the trade receivables and provisioning thereof.
Inventory valuation relating to Holding Company As detailed in note 11, the Group has reported Inventory of ₹ 1,261 lakhs of which inventory relating to the Holding Company is ₹ 1,000 lakhs as at 31 March 2019 comprise inventory pertaining to the services division amounts to ₹ 791 lakhs, net. 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, they are considered as a key audit matter.	Our audit work included but was not restricted to: • 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. • Challenge 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. • We have 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. • Review the historical accuracy of inventory provisions and level of write-offs during the year. • Compare 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.
Impairment 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 2019. The Group carries a goodwill of ₹ 388 lakhs in the consolidated financial statements pertaining to acquisition of three subsidiaries. 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.	Our audit work included but was not restricted to: • Review of management's identification of indicators of impairment; • We have 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; • Evaluated the subsidiary's budgeting procedures upon which the cash flow forecasts are based and reviewed historical accuracy of budgeting process; • Evaluated the discount rate and growth rate used in the estimation of recoverable value.

Key Audit matter	How the matter was addressed in the audit
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.	• Ensured appropriateness of disclosures made in the financial statements

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

6. The Holding 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 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 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, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

11. 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 consolidated 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 system 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 Group'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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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

15. We did not audit the financial statements of 6 subsidiaries, whose financial statements reflects total assets of ₹ 11,461 lakhs and net liabilities of ₹ 4,385 lakhs as at 31 March 2019, total revenues of ₹ 11,494 lakhs and net cash inflows amounting to ₹ 197 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have 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, is based solely on the reports of the other auditors.

    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

16. 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 15, 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.

17. 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 other statutory auditors of its subsidiary companies, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2019 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 over financial reporting 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 42 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 2019;

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 there were no amounts which were required to be transferred to the Investor Education and Protection Fund by it ssubsidiary companies, during the year ended 31 March 2019;

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

Place: Chennai
Date: 09 May 2019

Annexure A

Independent Auditor's report on the Internal Financial Controls 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 known as 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 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company, which is a company covered under the Act, are responsible for establishing and maintaining internal financial controls based onthe internal control over financial reporting criteria established by the Holding Company and its subsidiary 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.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 itsassets, 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company,its subsidiary company, 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') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, 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 IFCoFR 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 IFCoFRand their operating effectiveness.Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR of the Holding Company, its subsidiary company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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 over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 IFCoFR of the subsidiary company, the Holding Companyits subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary 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.

Other Matters

9. We did not audit the IFCoFR insofar as it relates to one subsidiary company, whose financial statements reflect total assets of ₹ 50 lakhs and net assets of ₹ 45 lakhs as at 31 March 2019, total revenues of ₹ 15 lakhs and net cash outflows amounting to ₹ 2 lakhs for the year ended on that date, as considered in the consolidated financial statements.The IFCoFR insofar as it relates to such subsidiary company, have been audited by other auditors whose reports has been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary company, 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

per **Sumesh E S**
Partner
Membership No.:206931

Place: Chennai
Date: 09 May 2019

Consolidated Balance Sheet as at 31 March 2019

₹ in Lakhs

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	508	676
Goodwill	4	930	1,344
Other Intangible assets	4	313	498
Intangible assets under development	4	86	41
Financial assets			
- Investments	5	-	-
- Bank balances	6	966	1,310
- Trade receivables	12	128	45
- Other financial assets	7	512	551
Deferred tax assets (net)	8	-	-
Income tax assets (net)	9	4,621	4,730
Other non-current assets	10	536	622
		8,600	**9,817**
Current assets			
Inventories	11	1,261	1,524
Financial assets			
- Trade receivables	12	20,593	12,551
- Cash and cash equivalents	13	1,180	891
- Bank balances other than cash and cash equivalents	13	1	2
- Other financial assets	7	453	515
Other current assets	14	4,920	2,971
		28,408	**18,454**
Total assets		**37,008**	**28,271**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	3,399	2,976
Other equity	16	(4,561)	(6,697)
Total equity		**(1,162)**	**(3,721)**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	17	5,168	4,183
Provisions	18	710	665
		5,878	**4,848**
Current liabilities			
Financial liabilities			
- Borrowings	17	12,388	14,050
- Trade payables			
Total outstanding dues of micro and small enterprises	19	4	3
Total outstanding dues of creditors other than micro and small enterprises	19	10,921	6,410
- Other financial liabilities	20	3,007	3,022
Other current liabilities	21	5,706	3,270
Provisions	18	266	389
		32,292	27,144
Total liabilities		**38,170**	**31,992**
Total equity and liabilities		**37,008**	**28,271**

Notes 1 to 42 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 : 09 May 2019

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
Date : 09 May 2019

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

₹ in Lakhs

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from operations	22	54,641	48,559
Other income	23	751	732
Total revenue		**55,392**	**49,291**
Expenses			
Cost of raw materials consumed	24	145	551
Purchases of stock-in-trade and stores and spares	25	26,539	20,770
Changes in inventories of stock in trade and stores and spares	26	311	554
Excise duty on sale of goods		-	118
Employee benefits expense	27	13,359	13,998
Impairment losses	28	599	1,432
Other expenses	29	11,740	11,368
Total expenses		**52,693**	**48,791**
Profits before finance cost, depreciation and amortization		**2,699**	**500**
Finance costs	30	1,825	1,923
Depreciation and amortization expense and impairment loss	31	469	670
Profit / (loss) before tax and exceptional items		**405**	**(2,093)**
Exceptional items		-	(1,566)
Profit before tax		**405**	**(3,659)**
Taxexpense			
Current tax		338	209
Deferred tax		-	-
Profit for the year from continuing operations		**67**	**(3,868)**
Profit before tax for the year from discontinued operations	41	-	6,207
Less: Tax expense of discontinued operations	41	-	(1,129)
Profit after tax for the year from discontinued operations		**-**	**5,078**
Profit for the year		**67**	**1,210**
Other comprehensive income			
i) Items that will not be reclassified to profit and loss			
- Re-measurement gains on defined benefit plans		33	66
- Income tax relating to items that will not be reclassified to profit and loss		(7)	40
ii) Items that will be reclassified to profit or loss			
- Exchange difference on translation of foreign subsidiaries		(162)	31
Other comprehensive income for the year, net of tax		**(136)**	**137**
Total comprehensive income for the year		**(69)**	**1,347**
Profit attributable to:		67	986
Owners of the Company		-	224
Non-controlling interest		67	1,210
Other comprehensive income attributable to:		**(136)**	**97**
Owners of the Company		-	40
Non-controlling interest		**(136)**	**137**
Total comprehensive income attributable to:		(69)	1,083
Owners of the Company		-	264
Non-controlling interest		**(69)**	**1,347**
Earnings per equity share for the year			
Basic and diluted (in ₹)	33		
For continuing operations		0.23	(13.00)
For discontinued operations		-	17.07
For continuing and discontinued operations		0.23	4.07

Notes 1 to 42 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 : 09 May 2019

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
Date : 09 May 2019

Consolidated Statement of Cash Flows for the year ended 31 March 2019

₹ in Lakhs

	For the Year ended 31 March 2019	For the Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before exceptional item and tax	405	(1,523)
Adjustments for:		
Exceptional items	-	1,566
Liabilities no longer required written back	(556)	-
Depreciation and amortization expense	469	833
Interest expense (including changes in financial insturments)	1,638	1,734
Unrealized foreign exchange (gain)/loss	166	7
Provision for gratuity and compensated absences	(73)	(283)
Provision for inventory obsolescence	289	-
Loss/(Profit) on sale of assets (net)	11	(7)
Provision for warranty	(5)	19
Impairment loss	599	1,432
Interest income	(112)	(413)
Operating profit before working capital changes	**2,831**	**3,365**
Adjustments for:		
Increase / (decrease) in trade payables	5,068	(418)
Decrease in other financial Liabilities	(15)	(1,008)
Increase / (decrease) in other current liabilities	2,436	(799)
(Increase) / Decrease in inventories	(26)	731
(Increase) / decrease in trade receivables	(8,046)	2,641
Decrease / (Increase) in other financial assets	101	(41)
Decrease / (Increase) in other non current assets	86	(60)
(Increase) / decrease in other current assets	(1,949)	1,088
Cash generated from operations	**486**	**5,499**
Direct taxes paid, net	(447)	(808)
Net cash generated from operating activities	**39**	**4,691**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work in progress)	(172)	(616)
Proceeds from sale of property, plant and equipment and intangible assets	11	1,144
Interest received	90	414
Net movement in bank deposits	344	(396)
Net cash generated from investing activities	**273**	**546**
C. Cash flow from financing activities		
Repayments of short term borrowings (net) (Also refer 17(f))	(1,660)	(6,101)
Proceeds from / (repayments of) long term borrowings (net) (Also refer 17(f))	730	(1,464)
Proceeds from issue of equity shares	2,629	-
Interest paid to banks and related parties	(1,630)	(1,550)
Net cash used in financing activities	**69**	**(9,115)**
D. Net change in cash and cash equivalents	**381**	**(3,878)**
E. Cash and cash equivalents at the beginning	891	4,705
Effects of foreign currency translation	92	(64)
F. Cash and cash equivalents at the end	**1,180**	**891**
Cash and cash equivalents include:		
Cash on hand	9	6
Balances with banks - in current accounts	1,171	885
Cash and cash equivalents as per note 13	**1,180**	**891**

Notes 1 to 42 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 : 09 May 2019

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
Date : 09 May 2019

Consolidated Financial Statement of Changes in Equity for the year ended 31 March 2019

in Lakhs

Particulars	Equity share capital	Other income						Non - controlling interests	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 2017	**2,976**	**859**	**(15,548)**	**6,857**	**254**	**(202)**	**(7,780)**	**2,690**	**(5,090)**
(Profit) for the year	-	-	986	-	-	-	**986**	224	1,210
Other comprehensive income	-	-	-	-	31	66	**97**	40	137
Transferred from Retained earnings to general reserves	-	-	-	-	-	-	**-**	(2,954)	(2,954)
Balances as at 31 March 2018	**2,976**	**859**	**(14,562)**	**6,857**	**285**	**(136)**	**(6,697)**	**-**	**(6,697)**
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	-	-	-	-	-	**-**	-	-
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)**	**-**	**(4,561)**

Notes 1 to 42 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 : 09 May 2019

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
Date : 09 May 2019

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, 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 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 Group are prepared in Indian Rupee (₹), which is also the functional currency of the Group. 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 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 2019. 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	Abbreviation	Country of incorporation/origin
Accel Frontline DMCC, Dubai,	100%	AFDMCC	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

(a) During the previous year, the Company has disinvested the entire 51% (fifty one percent) stake in its Singapore subsidiary, for a total consideration of S$ 19,380,000 (Singapore Dollars Nineteen Million Three Hundred and Eighty Thousand only) on 10 July 2017, equivalent to INR 9,002.

b) The subsidiary named Networks Programs Japan Inc. USA stands liquidated as at 31 March 2018.

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and balance sheet respectively. Non-controlling interests in net profits/ losses of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the owners of the Parent. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the Parent, except where there is a contractual/legal obligation on minority interests.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in the other comprehensive income. Dividends received or receivables from the associates and joint venture are recognized as a reduction in the carrying amount of the investments. After the investor's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the investee. If the investee subsequently reports profits, the investor resumes recognizing its share of the profits only after its share of the profits equals the share of losses not recognized. Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transitions provides evidence of an impairment of the assets transferred. The carrying amount of equity accounted investments are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

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 ASs 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 Group has applied the following standards and amendments for the fist time for the annual reporting period commencing 01 April 2018:

- Ind AS 115, Revenue from contracts with customers
- Appendix B to Ind AS 21, Foreign currency transactions and advance consideration.

The above standards or amendments did not have any 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.

Classification of leases

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

Recognition of deferred tax assets

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.

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.

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.

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 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.

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.

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 are not subject to amortization and 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 (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.

Services (Infra / Security / Cloud / 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.

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

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

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 determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is / or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease period. Associated costs, such as maintenance and insurance, are expensed as incurred.

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 as at fair value through profit and loss.

Loans and Borrowings

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) Products / Hardware System integration 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 2019.

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 2019 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

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. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date of adoption of Ind AS 116 is annual periods beginning on or after 01 April 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

Ind AS 12 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. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 01 April 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Amendment to Ind AS 12 – Income taxes :

On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Group does not have any impact on account of this amendment.

Amendment to Ind AS 19 - plan amendment, curtailment or settlement :

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

Ind AS 109 - Prepayment Features with Negative Compensation :

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment does not expect to have any impact on its financial statements.

Ind AS 23 - Borrowing Costs :

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. This amendment does not expect to have any impact on its financial statements.

Ind AS 103 - Business Combinations and Ind AS 111 - Joint Arrangements :

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. This amendment does not expect to have any impact on its financial statements.

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Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019

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 development
Gross block										
Balance as at 01 April 2017	**111**	**131**	**134**	**33**	**1,718**	**108**	**2,235**	**1,957**	**1,020**	**-**
Additions	226	9	11	16	301	1	564	-	11	41
Deletions	(3)	-	-	-	-	(10)	(13)	-	-	-
Disposals	-	-	12	1	(872)	(6)	(865)	(291)	-	-
Exchange fluctuation	-	-	-	-	22	(1)	21	-	-	-
Balance as at 31 March 2018	**334**	**140**	**157**	**50**	**1,169**	**92**	**1,942**	**1,666**	**1,031**	**41**
Additions	11	-	2	16	74	24	127	-	-	45
Deletions	-	-	-	-	-	(43)	(43)	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Exchange fluctuation	-	-	-	-	(26)	-	(26)	-	1	
Balance as at 31 March 2019	**345**	**140**	**159**	**66**	**1,217**	**73**	**2,000**	**1,666**	**1,032**	**86**
Accumulated depreciation/amortization									-	
Balance as at 01 April 2017	**60**	**17**	**57**	**17**	**659**	**25**	**835**	**161**	**296**	**-**
Charge for the year	69	18	23	12	291	23	436	161	236	-
Reversal on disposal of assets		-	-		(14)	(4)	(18)	-	-	-
Exchange fluctuation	(1)	-	-	-	14	-	13	-	1	-
Balance as at 31 March 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 28)	-	-	-	-	-	-	-	414	-	-
Reversal on deletions	-	-	-	-	-	(43)	(43)	-	-	-
Exchange fluctuation	-	-			(13)	(1)	(14)	-	-	-
Balance as at 31 March 2019	**205**	**51**	**93**	**42**	**1,065**	**36**	**1,492**	**736**	**719**	**-**
Net Block										
Balance as at 31 March 2018	**206**	**105**	**77**	**21**	**219**	**48**	**676**	**1,344**	**498**	**41**
Balance as at 31 March 2019	**140**	**89**	**66**	**24**	**152**	**37**	**508**	**930**	**313**	**86**

(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 2019		31 March 2018	
	Gross block	Net block	Gross block	Net block
Vehicles	24	22	26	14
Computers	-	-	41	16
Total	**24**	**22**	**67**	**30**

(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 two subsidiaries 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.

Particulars	Services division	ISNA	NPUS
Sales growth rate (%)	10	20	15
Long term growth rate (%)	2	2	1
Budgeted EBIDTA (%)	20-24	2-4	6-8
Budgeted EBIT (%)	10-17	3-4	6-8
Pre-tax discount rate (%)	19.36	11.08	10.31

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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Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

	Particulars	Number	Face value	As at 31 March 2019	As at 31 March 2018
5	**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)
6	**Bank balances**				
	Balances with bank held as margin money			966	1,310
				966	**1,310**

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.

		As at 31 March 2019		As at 31 March 2018	
		Non-current	Current	Non-current	Current
7	**Other financial assets**				
	(Unsecured, considered good unless otherwise stated)				
	a) Non-current				
	Security deposits	253	-	232	229
	Rental deposits	256	190	231	210
	Other receivable	-	253	-	58
	Other loans and advances				
	-Considered good	3	10	88	18
	-Considered doubtful	-	31	-	31
		512	484	551	546
	Less : Allowances for credit loss		(31)	-	(31)
		512	**453**	**551**	**515**

	Particulars	As at 31 March 2019	As at 31 March 2018
8	**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	(121)	(189)
		(121)	**(189)**
	Deferred tax asset arising on account of :		
	- Provision for employee benefits	288	340
	- Allowances for expected credit loss	448	494
	- Provision for inventory	146	145
	- Impairment in value of investments	5	5
	- Unabsorbed depreciation and business loss	2,746	3,131
	- Minimum Alternative tax credit available	338	-
	- Others	32	34
		4,003	4,149
	Net deferred tax asset*	**-**	-

*The Company 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 2019 and 31 March 2018 and consequently reconciliation for the same is not disclosed.

		As at 31 March 2019	As at 31 March 2018
9	**Income tax assets (net)**		
	Advance Tax (net of provision for tax)	4,621	4,730
		4,621	**4,730**
10	**Other non-current assets**		
	Balances with government authorities	386	404
	Prepaid expenses	150	218
		536	**622**
11	**Inventories**		
	Raw materials	74	73
	Stock-in-trade	429	948
	Stores and spares*	1,225	968
	Less: Provision for inventory obsolescence	(467)	(465)
		1,261	**1,524**

** Includes goods in transit of ₹ 17 lakhs (previous year ₹ 30 lakhs)*

		As at 31 March 2019		As at 31 March 2018	
		Non-current	Current	Non-current	Current
12	**Trade receivables**				
	(Unsecured)				
	a) Considered good, unsecured	128	20,593	45	12,551
	b) Receivables which have significant increase in credit risk	-	1,593	-	1,605
		128	22,186	45	14,156
	Allowances for expected credit loss				
	Receivables which have significant increase in credit risk	-	(1,593)	-	(1,605)
		128	**20,593**	**45**	**12,551**

Trade receivables include due from related parties amounting to INR 191 lakhs (31 March 2018: INR 242 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.

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 ₹ 197 lakhs and ₹ 185 Lakhs (previous year ₹ 420 lakhs and ₹ 941 Lakhs) within the impairment losses. (Also refer note 28).

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.

	As at 31 March 2019	As at 31 March 2018
Movement of expected credit loss		
Balance at beginning of the year	1,605	1,084
Additions/(reversal) during the year, net (Also refer note 28)	185	941
Utilised during the year	(197)	(420)
Balance at end of the year	**1,593**	**1,605**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019

₹ in Lakhs

	Particulars		As at 31 March 2019	As at 31 March 2018
13	**Cash and bank balances**			
	Cash and cash equivalents			
	Cash on hand		9	6
	Balances with banks - current accounts		1,171	885
		(A)	**1,180**	**891**
	Bank balances other than mentioned in cash and cash equivalents			
	Unpaid dividend account		1	2
			1	2
		Total (A+B)	**1,181**	**893**
14	**Other current assets**			
	Unbilled revenue		1,039	885
	Balances with government authorities		131	67
	Prepaid expenses		3,596	1,939
	Other advances - Staff advance		21	21
	Advance to supplier		133	59
			4,920	**2,971**

		As at 31 March 2019		As at 31 March 2018	
		Nos.	**Amount**	**Nos.**	**Amount**
15	**Equity Share Capital**				
	Authorized				
	Equity shares of ₹ 10 each	50,000,000	5,000	33,000,000	3,300
	Issued, subscribed and fully paid up				
	Equity shares of ₹ 10 each	33,991,873	3,399	29,761,873	2,976
		33,991,873	**3,399**	**29,761,873**	**2,976**
a)	**Reconciliation of number of shares**				
	Equity shares				
	Opening balance	29,761,873	2,976	29,761,873	2,976
	Issued during the year	4,230,000	423	-	-
	Closing Balance	**33,991,873**	**3,399**	**29,761,873**	**2,976**
b)	**Shares held by the ultimate holding company**				
	Equity shares of ₹ 10 each				
	CAC Holding Corporation	22,087,125	2,209	17,857,125	1,786
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	22,087,125	64.98%	17,857,125	60%
	Amicorp Trustees (India) Private Limited (Also, refer note (f) below)	4,464,279	13.13%	4,464,279	15%

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

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 2019.

f) 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 13.13% (previous year: 15%) 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.

g) 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.

In order to maintain or adjust the capital structure, the Company may adjust the return capital to shareholders, issue new shares, or sell investments / other assets to reduce debt.

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:

		As at 31 March 2019	As at 31 March 2018
Borrowings		17,780	18,243
Cash and bank balances		2,147	2,203
Net debt	**(A)**	**15,633**	**16,040**
Total equity	**(B)**	(1,162)	(3,721)
Overall financing	(A+B)	14,471	12,319
Gearing ratio		**108%**	**130%**

16 Other Equity

	As at 31 March 2019	As at 31 March 2018
Securities premium		
Balance at the beginning of the year	6,857	6,857
Additions made during the year	2,205	-
Balance at the end of the year	**9,062**	**6,857**
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	(14,562)	(15,548)
Add : Transferred from statement of profit and loss	67	986
Balance at the end of the year	**(14,495)**	**(14,562)**
Accumulated other comprehensive income		
Balance at the beginning of the year	(136)	(202)
Add : Transfer from other comprehensive income	26	66
Balance at the end of the year	**(110)**	**(136)**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

	As at 31 March 2019	As at 31 March 2018
Accumulated foreign currency translation reserves		
Balance at the beginning of the year	285	254
Add : Transfer from other comprehensive income	(162)	31
Balance at the end of the year	123	285
Total Other equity	**(4,561)**	**(6,697)**

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 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
17 Borrowings				
i) Secured				
From Banks				
Finance lease obligations (Also, refer note (a) below)	23	-	18	-
Letter of credit	-	3,407	-	4,240
From Others				
Loan against keyman insurance policy (Also refer note (b) below)	-	-	-	154
Less: Current maturities of long-term borrowings (Also, refer note 20)	**(4)**	**-**	**(10)**	**-**
	19	**3,407**	**8**	**4,394**
ii) Unsecured				
Loans repayable on demand				
From banks				
Cash credit	-	2,942	-	3,466
Other borrowings				
From Others				
Working capital demand loan	-	4,539	-	4,537
Short term loan	-	1,500	-	1,100
From others				
Loans and advances from related parties (Also, refer note (c) below)	5,369	-	4,175	553
Less: Current maturities of long-term borrowings (Also, refer note 20)	(220)	-	-	-
	5,149	**8,981**	**4,175**	**9,656**
Total Borrowings	**5,168**	**12,388**	**4,183**	**14,050**

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).

₹ in Lakhs

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 2019		As at 31 March 2018	
Payments falling due:	**MLP**	**PV of MLP**	**MLP**	**PV of MLP**
Payable not later than 1 year	6	4	11	10
Payable later than one year but not later than 5 years	21	19	9	8
Total	**27**	**23**	**20**	**18**
Less: Amounts representing interest	4	-	2	-
	23	**23**	**18**	**18**

b) Represents loan availed from Life Insurance Corporation of India, repayable at the time of maturity of the policy or adjustment with maturity value of the policy and is secured against the keyman insurance policy placed with them, which is fully paid up. During the year, the Company had closed the loan on maturity.

c) 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 ₹ 4,114 (As at 31 March 2017: ₹ 3,868) at an interest rate of 4.5%+6 months LIBOR rate and the entire amount being repayable in 2021-22. Also refer note 34)

- Inspirisys Solutions North America Inc., USA to the tune of ₹ 685 (Ast at 31 March 2018: ₹ 648) 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. Also refer note 34)

- Network Programs (USA) Inc., USA, to the tune of ₹ 210 (As at 31 March 2018: ₹ 199) 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. Also refer note 34)

- Inspirisys Solutions Japan Kabushiki Kaisha., Japan, to the tune of ₹ 360 (As at 31 March 2018: ₹ Nil) at an interest rate of 3.25%+6 months LIBOR rate and repayable over the period 2018-19 to 2020-21 in five tranches occuring once in every 6 months. Also refer note 34)

	As at 31 March 2019	As at 31 March 2018
d) Details of guarantee		
Guaranteed by holding company		
From banks		
- Working capital demand loan	4,539	4,537
- Short term loan	1,500	1,100
- Cash credit	2,942	3,466
- Letter of credit	3,407	4,240

e) Details of security

- The Holding Company has availed a working capital demand loan worth INR 4,539 (as at 31 March 2018: INR 4,537) valid till 31 March 2020 from Sumitomo Mitsui Banking Corporation at an interest rate of 10.1% (as at 31 March 2018: 9.5%) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan.
- The Holding Company has also availed a short term loan facility INR 1,500 (as at 31 March 2018: INR 1,100) 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.
- Cash credits guaranteed by holding company represents:

i) The Holding Company has availed a cash credit facility worth INR 1,867 (as at 31 March 2018: INR 3,314) 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 Holding Company has availed a cash credit facility outstanding from Sumitomo Mitsui Banking Corporation worth INR 403 (as at 31 March 2018: INR 95) 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, Accel Frontline DMCC, Dubai, has availed a cash credit facility from Emirates NBD worth ₹ 672 (As at 31 March 2018: ₹ 58) which are secured by the Corporate Guarantee provided by CAC Holdings Corporation, Japan.

The Holding 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 based on the LC period ranging from 60 to 150 days.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019

₹ in Lakhs

	Particulars	Long term As at 31 March 2019	Short term As at 31 March 2019
f)	**Reconciliation for cash flow statement**		
	Opening balance	4,183	14,050
	Cash inflow / Cash outflow (net)	730	(1,660)
	Exchange loss / (gain) on restatement	261	-
	Interest expense	(357)	(1,281)
	Interest paid	351	1,278
	Closing balance	**5,168**	**12,388**

		As at 31 March 2019		As at 31 March 2018	
		Non current	Current	Non current	Current
18	**Provisions**				
	Provisions for employee benefits				
	Gratuity (refer note (a) (i) below)	569	137	552	235
	Compensated absences (refer note (a) (ii) below)	110	57	77	82
	Provision for warranty (refer note (b) below)	31	72	36	72
		710	**266**	**665**	**389**

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. For subsidiary, Accel Frontline DMCC, the gratuity liability is provided based on the applicable laws in Dubai. The disclosures below are applicable for the gratuity liability created as per Indian laws except for the current cost which includes Accel Frontline DMCC expense.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement:

	As at 31 March 2019	As at 31 March 2018
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	846	972
Current service cost	105	129
Past service cost	-	27
Interest cost	52	53
Actuarial (gain)/ loss	(26)	(62)
Benefits paid	(139)	(273)
Projected benefit obligation at the end of the year	**838**	**846**
Change in plan assets		
Fair value of plan assets at the beginning of the year	59	7
Employer contributions	205	198
Benefits paid	(139)	(150)
Actuarial gain on plan assets	7	4
Fair value of plan assets at the end of the year	**132**	**59**

	As at 31 March 2019	As at 31 March 2018
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	838	846
Fair value of plan assets at the end of the year	132	59
Liability recognized in the balance sheet	**706**	**787**
Thereof		
Unfunded	706	787
Components of net gratuity costs are		
Current service cost	105	129
Past service cost	-	27
Interest cost	52	53
Total amount recognised in the income statement	**157**	**209**
Actuarial (gain)/loss	(33)	(66)
Total amount recognised in other comprehensive income	**(33)**	**(66)**
Net Gratuity costs	**124**	**143**
Principal actuarial assumptions used:		
Discount rate	6.65%	7% / 7.5%
Long-term rate of compensation increase	8.00%	8% / 10%
Expected rate of return on plan assets	8%	8%
Average remaining life (in years)	23	23 - 24
Attrition rate		
Upto 30 years	39.89%	38.02%
31 to 44 years	32.50%	32.85%
Above 44 years	20.30%	22.71%

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 INR 200 lakhs to be paid in 2019-20. The weighted average duration of the defined benefit obligation as at 31 March 2019 is 3 years (31 March 2018: 4 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 2019					
Defined benefit obligation	213	470	202	50	935
31 March 2018					
Defined benefit obligation	237	491	190	58	976

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 2019.

	Attrition rate		Discount rate		Future salary	
	increases	Increase	increases	Increase	increases	Increases
31 March 2019						
> Sensitivity Level	1%	1%	1%	1%	1%	1%
> Impact on defined benefit obligation	(30)	60	(20)	29	27	(19)
31 March 2018						
> Sensitivity Level	1%	1%	1%	1%	1%	1%
> Impact on defined benefit obligation	(36)	58	(23)	24	22	(22)

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019

₹ in Lakhs

(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 2019	As at 31 March 2018
a)	**Employee benefits (Continued)**		
	Principal actuarial assumptions used :		
	Discount rate	6.65%	7% - 7.5%
	Long-term rate of compensation increase	8.00%	8% - 10%
	Attrition rate		
	Upto 30 years	39.89%	38.02%
	31 to 44 years	32.50%	32.85%
	Above 44 years	20.30%	22.71%
b)	**Provision for warranty**		
	Balance at the beginning of the year	108	90
	Created during the year, net	-	18
	Utilised/reversed during the year	(5)	-
	Balance at the end of the year	**103**	**108**

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.

		As at 31 March 2019	As at 31 March 2018
19	**Trade payables**		
	Total outstanding dues of micro and small enterprises*	4	3
	Total outstanding dues of creditors other than micro and small enterprises	10,921	6,410
		10,925	**6,413**
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	4	3
	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	-	-
		4	**3**

*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 2019 and 31 March 2018 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.

		As at 31 March 2019	As at 31 March 2018
20	**Other financial liabilities**		
	Financial liabilities at amortised cost		
	Current		
	Current maturities of finance lease obligations (Also refer note 17)	4	10
	Current maturities of related party loan (Also refer note 17)	220	-
	Unpaid dividends	1	2
	Employee related payables	1,056	942
	Other accrued liabilities	1,726	2,068
	Total financial liabilities	**3,007**	**3,022**

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.

21	**Other current liabilities**		
	Statutory dues	533	680
	Unearned revenue	5,173	2,590
		5,706	**3,270**

		Year ended 31 March 2019	Year ended 31 March 2018
22	**Revenue from operations**		
	Sale of goods (including excise duty)	27,751	24,474
	Sale of services	26,865	24,085
	Other operating income	25	-
	Revenue from operations (gross)	**54,641**	**48,559**

Effective from 01 April 2018, the Group adopted Ind AS 115 "Revenue from contracts with customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

Disaggregation revenue by nature of services is as follows:

Nature of services		
Products / Hardware	27,751	24,474
Services	24,601	21,966
Warranty Management Services	2,274	1,972
Training	15	147
	54,641	**48,559**

23	**Other income**		
	Interest income from financial assets at amortised cost	112	413
	Unwinding of discount on deposits	6	33
	Net gain on foreign currency transactions & translations	20	-
	Liabilities no longer required written back **	556	-
	Other non-operating income	57	286
		751	**732**

** During the year, the management has assessed the long outstanding payables and accrued liabilities as at 31 March 2019 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 ₹ 556 lakhs (previous year: Nil).

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019

₹ in Lakhs

		Year ended 31 March 2019	Year ended 31 March 2018
24	**Cost of raw materials consumed**		
	Opening stock (Net of provision)	14	189
	Add : Purchases during the year	175	376
	Less: Closing stock (Net of provision)	(44)	(14)
		145	**551**
25	**Purchases of stock-in-trade & stores and spares**	**26,539**	**20,770**
		26,539	**20,770**
26	**Changes in inventories of stock-in-trade and stores and spares**		
	Opening stock:		
	Stock-in-trade	948	589
	Stores and spares	968	3,462
	Less: Provision for inventories	(404)	(419)
		1,512	**3,632**
	Closing stock:		
	Stock-in-trade	429	948
	Stores and spares	1,225	968
	Less: Provision for inventories	(437)	(404)
		1,217	**1,512**
	Less: Transferred to exceptional items	-	(1,566)
	Add: Other adjustments	16	-
	Net decrease / (increase) in inventories	**311**	**554**
27	**Employee benefits expense**		
	Salaries and wages	12,336	12,836
	Gratuity expense (Also refer note 18)	157	209
	Contribution to provident and other defined contribution funds	756	839
	Staff welfare expenses	110	114
		13,359	**13,998**
28	**Impairment losses**		
	Allowances for credit loss in trade receivables	185	1,432
	Impairment of goodwill (Also refer note below)	414	-
		599	**1,432**

The Group has 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, after continuous effort to turnaround the business and imporve profitability, 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 quarter ended 31 March 2019. Consequent to this the management has impaired ₹ 414 Lakhs towards value of goodwill.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019

₹ in Lakhs

		Year ended 31 March 2019	Year ended 31 March 2018
29	**Other expenses**		
	Sub-contracting and outsourcing cost	6,573	5,934
	Rent (Also refer note 41)	1,112	1,177
	Legal and professional fees	1,289	1,201
	Travelling and conveyance	776	917
	Freight and forwarding	360	461
	Communication expenses	298	288
	Repairs and maintenance		
	Leased premises	247	263
	Equipments	5	4
	Others	67	126
	Power and fuel	198	219
	Insurance	115	151
	Rates and taxes	136	102
	Printing and stationery	70	71
	Payments to auditors*		
	Statutory audit #	37	54
	Limited review	5	3
	Reimbursement of expenses	2	2
	Directors' sitting fees	18	18
	Provision for warranty	-	18
	Exchange differences (net)	40	-
	Loss on sale of fixed assets	11	-
	Advertising and sales promotion	82	-
	Miscellaneous expenses	299	359
		11,740	**11,368**

** excluding applicable taxes*

 # Previous year amount includes overruns relating to 2016-17 ₹ 15

30	**Finance costs**		
	Interest expenses	1,638	1,734
	Other borrowing costs	134	189
	Exchange difference regarded as adjustment to borrowing cost	53	-
		1,825	**1,923**
31	**Depreciation and amortization expense**		
	IDepreciation of tangible assets (Also refer note 4)	453	273
	Amortization of intangible assets (Also refer note 4)	16	397
		469	**670**

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Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

32 Income taxes

The major components of income tax expense for the year ended 31 March 2019 and 31 March 2018 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 21.55% (2017-18: 23.07%) and the reported tax expense in the statement of profit and loss are as follows:

	Year ended 31 March 2019	Year ended 31 March 2018
Accounting profit/ (loss) before taxes	405	(3,659)
Enacted tax rates	21.55%	23.07%
Tax on profit at enacted tax rate	87	588
Adjustments:		
- Tax portion relating to loss of subsidiaries	-	404
- Overseas Tax rate difference	28	(34)
- Tax on profit on sale of subsidiary	-	598
- Indexation benefit on sale of long term investment	-	(79)
- Loss on liquidation of subsidiary - Network Programs (Japan), Inc., USA	-	(108)
- Unabsorbed depreciation of earlier years utilised	-	(295)
- Origination and reversal of temporary differences (Net)	213	331
- Penalties not deductible for tax	10	-
- Mat credit pertaining to earlier years utilised	-	(67)
Actual tax expense	**338**	**1,338**
Current tax	**338**	**209**
Tax expense reported in the statement of profit and loss	**338**	**209**

**The effective tax rate considered is 21.55%(previous year 23.07%) because the Company is subject to minimum alternate tax in the current year (capital gains in the previous year).

33 Earnings per share

a)	**Continuing operations**		
	Nominal value of equity shares (in ₹)	10	10
	Profit attributable to equity shareholders (A)	67	(3,868)
	Weighted average number of equity shares outstanding during the year (B) (Numbers)	29,773,462	29,761,873
	Basic and diluted earnings per equity share (A/B) (in ₹)	0.23	(13.00)
b)	**Discontinued operations**		
	Nominal value of equity shares (in ₹)	10	10
	Profit attributable to equity shareholders (A)	-	5,078
	Weighted average number of equity shares outstanding during the year (B) (Numbers)	29,773,462	29,761,873
	Basic and diluted earnings per equity share (A/B) (in ₹)	-	17.07
c)	**Continuing and discontinued operations**		
	Nominal value of equity shares (in ₹)	10	10
	Profit attributable to equity shareholders (A)	67	1,210
	Weighted average number of equity shares outstanding during the year (B) (Numbers)	29,773,462	29,761,873
	Basic and diluted earnings per equity share (A/B) (in ₹)	0.23	4.07

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Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

34 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)
Raj Khalid	Independent Director
Bin Cheng	Non-Independent Non-Executive Director
Rajesh Ramniklal Muni	Independent Director
Ruchi Naithani	Independent Director

b) Transactions with related parties

Name of the related party	Year ended 31 March 2019	Year ended 31 March 2018
Sale of services		
CAC Holdings Corporation, Tokyo, Japan	135	12
CAC Corporation, Tokyo, Japan	1,334	1,010
CAC America Corporation	40	-
Interest expense		
CAC Holdings Corporation, Tokyo, Japan	341	288
Accel Limited, Chennai	-	45
Reimbursements		
CAC Holdings Corporation, Tokyo, Japan	256	249
CAC Corporation, Tokyo, Japan	142	22
Remuneration*		
Malcolm F Mehta #	256	249
Murali Gopalakrishnan	64	14
S Sundaramurthy	19	14
Raj Khalid	6	5
Rajesh Ramniklal Muni	6	5
Ruchi Naithani	6	5
R Neelakantan	-	34
Ramaraj	-	2
Sub-contracting and outsourcing cost		
CAC Holdings Corporation, Tokyo, Japan	21	140
CAC Corporation, Tokyo, Japan	134	130
Rent		
Accel Limited, Chennai	-	63
Accel Transmatic Limited, Chennai	-	6

*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 2019 ₹ in Lakhs

c) **Balance with related parties**

Name of the related party	As at 31 March 2019	As at 31 March 2018
Advances/ Amount recoverable		
CAC Holdings Corporation, Tokyo, Japan	2	13
Loans Payable		
CAC Holdings Corporation, Tokyo, Japan	5,369	4,708
CAC Corporation, Tokyo, Japan	-	29
Trade receivables		
CAC Holdings Corporation, Tokyo, Japan	74	-
CAC Corporation, Tokyo, Japan	103	242
CAC America Corporation	14	-
Guarantee received		
CAC Holdings Corporation, Tokyo, Japan	26,797	26,797
Payables		
CAC Holdings Corporation, Tokyo, Japan	36	60
CAC Corporation, Tokyo, Japan	21	40

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 2019		Year ended 31 March 2018	
	Loans received	Advances / Amounts recoverable	Loans received	Advances / Amounts recoverable
CAC Holding Corporation, Tokyo, Japan	5,558	27	5,476	13
CAC Corporation, Tokyo, Japan	-	1	29	1
Accel Limited, Chennai	-	-	1,440	69
Accel Transmatic Limited, Chennai	-	-	-	3

35 **Fair value measurement**

a) **Balance with related parties**

	As at 31 March 2019		As at 31 March 2018	
	Amortized cost@	Total carrying value	Amortized cost@	Total carrying value
Financial assets				
Investment*	-	-	-	-
Trade receivables	22,314	20,721	14,201	12,596
Cash and cash equivalents	1,180	1,180	891	891
Bank balances	966	966	1,312	1,312
Other financial assets	996	965	1,097	1,066
Total financial assets	**25,456**	**23,832**	**17,501**	**15,865**
Financial liabilities				
Borrowings	17,556	17,556	18,233	18,233
Trade payables	10,925	10,925	6,413	6,413
Other financial liabilities	3,007	3,007	3,022	3,022
Total financial assets	**31,488**	**31,488**	**27,668**	**27,668**

* Does not include Investment in subsidiaries 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 Group does not have any assets measured at FVPL or FVOCI.

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

b) Fair value measurement

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.

	Year ended 31 March 2019	Year ended 31 March 2018
c) Interest-bearing loans and borrowings:		
Floating rate borrowings	5,369	4,728
Fixed rate borrowings	12,187	13,505

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.

36 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 2019 and 31 March 2018. 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.

	Interest rate fluctuation	Profit before tax for the Year ended 31 March 2019	Year ended 31 March 2018
Increase in interest rate / (Decrease) in profit for the year	+1%	53.69	46.97
(Decrease) in interest rate / Increase in profit for the year	-1%	(53.69)	(46.97)

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 2019			
Financial assets	3,186	78	4
Financial liabilities	4,149	-	-
31 March 2018			
Financial assets	2,578	41	-
Financial liabilities	5,743	-	-

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 2019 (31 March 2018: 1%), +/- 1% change of the AED/₹ exchange rate for the year ended 31 March 2019 (31 March 2018: 1%) and a +/- 1% change is considered for the GBP/₹ exchange rate for the year ended at 31 March 2019 (31 March 2018: 1%).

If the ₹ had strengthened against the USD by 1% during the year ended 31 March 2019 (31 March 2018: 1%), AED by 1% during the year ended 31 March 2019 (31 March 2018: 1%) and GBP by 1% during the year ended 31 March 2019 (31 March 2018: 1%) respectively then this would have had the following impact on profit before tax and equity before tax:

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax			
USD	+1%	(9.64)	(31.65)
GBP	+1%	0.78	0.41
AED	+1%	0.45	-
Profit before tax			
USD	-1%	9.64	31.65
GBP	-1%	(0.78)	(0.41)
AED	-1%	(0.45)	-

If the ₹ had weakened against the USD by 1% during the year ended 31 March 2019 (31 March 2018: 1%) and GBP by 1% during the year ended 31 March 2019 (31 March 2018: 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 2019 ₹ in Lakhs

36 Financial risk management

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 2019	Year ended 31 March 2018
Classes of financial assets		
Trade receivables	20,721	12,596
Cash and bank balance	2,146	2,203
Other Financials assets	965	1,097

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 2019	Current		Non Current
Particulars	Within 6 months	6 to 12 months	1 to 5 years
Borrowings	3,407	8,981	5,168
Trade and other payables	10,925	-	-
Other financial liabilities	3,007	-	-
As at 31 March 2018			
Borrowings	7,706	6,344	4,183
Trade and other payables	6,413	-	-
Other financial liabilities	3,022	-	-

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

37 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, 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	**(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

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Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

Year ended 31 March, 2018

Particulars	SI	Service	WMS	Training	Unallocated	Total
Revenue						
External sales	23,090	23,350	1,972	147	-	48,559
Total revenue from operations	**23,090**	**23,350**	**1,972**	**147**	**-**	**48,559**
Results						
Segment result	(970)	(1,313)	(318)	(133)	-	(2,734)
Unallocated corporate expenses	-	-	-	-	(1,177)	(1,177)
Operating profit/(loss)	**(970)**	**(1,313)**	**(318)**	**(133)**	**(1,177)**	**(3,911)**
Interest and finance charges	-	-	-	-	(1,923)	(1,923)
Unallocated income	-	-	-	-	2,175	2,175
Profit/(loss) before tax	**(970)**	**(1,313)**	**(318)**	**(133)**	**(925)**	**(3,659)**
Income taxes	-	-	-	-	209	209
Profit/(loss) for the year from continuing operations	**(970)**	**(1,313)**	**(318)**	**(133)**	**(1,134)**	**(3,868)**
Other information						
Segment assets	8,897	11,717	1,197	101	-	21,912
Unallocated corporate assets	-	-	-	-	6,359	6,359
Total assets	**8,897**	**11,717**	**1,197**	**101**	**6,359**	**28,271**
Segment liabilities	10,386	11,527	1,118	79	-	23,110
Unallocated corporate liabilities	-	-	-	-	8,882	8,882
Total liabilities	**10,386**	**11,527**	**1,118**	**79**	**8,882**	**31,992**
Capital expenditure	328	158	50	-	80	616
Depreciation and amortization	259	465	82	-	27	833
Other non cash expenditure, net	2,012	812	54	123	24	3,025

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 2019			31 March 2018		
	India	Rest of World	Total	India	Rest of World	Total
Revenue	36,841	17,800	54,641	31,020	20,047	51,067
Non current assets	6,508	487	6,995	7,002	909	7,911

c) Customer information

Revenue from two customers amounting to ₹ 13,827 (31 March 2018: ₹ 13,334), arising from sales in the system integration (FY 2018-19: ₹ 12,328; FY 2017-18 ₹ 11,825): and services segment (FY 2018-19: ₹ 1,499; FY 2017-18: ₹ 1,510)

38 Leases

Disclosures in respect of non-cancellable operating leases

The lease rentals charged for the years ended 31 March 2019 and 2018 and maximum obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

	As at 31 March 2019	As at 31 March 2018
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year	345	279
(ii) Due later than one year and not later than five years	46	312
	391	**591**
Lease payments charged off to the statement of profit and loss	1,112	1,177

		As at 31 March 2019	As at 31 March 2018
39	**Contingent liabilities**		
	Sales tax	236	373
	Service tax	24	24
	Income tax	770	1,650
	Customs duty	236	236
	Provident fund	184	184
	Others	188	188
		1,638	**2,655**

40 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.

41 Discontinued operation

a) Description

The Company has disinvested the entire 51% (fifty one percent) stake in its Singapore subsidiary on 10 July 2017, for a total consideration of S$ 19,380,000 (Singapore Dollars Nineteen Million Three Hundred and Eighty Thousand only), equivalent to INR 9,002 Lakhs.

b) Financial performance and cash flow operation

The cash flow information presented are for the period ended 10 July 2017.

Particulars	10 July 2017
Revenue	2,513
Expenses	1,943
Profit before tax	570
Tax expense	(112)
Profit after tax	458
Gain on sale of the subsidiary after tax (Also refer note c below)	4,620
Profit from discontinued operations*	5,078
Net cash inflow from operating activities	417
Net cash inflow (outflow) from investing activities (10 July 2017 includes inflow of INR from the sale of the division)	7,725
Net cash (outflow) from financing activities	-
Net increase in cash generated from discontinued operation	**23,213**

* The amount is attributable to equity holders of the company and the minority interest.

c) Details of the subsidiary

Particulars	10 July 2017
Consideration received	
Cash	9,002
Carrying amount of net assets sold	3,075
Goodwill on consolidation	291
Reclassification of exchange differences on foreign currency translation	(1)
Gain on sale before tax	**5,637**
Income tax expense on gain	(1,017)
Gain on sale after Income tax	**4,620**

Notes forming part of Consolidated Financial Statements for the year ended 31 March 2019 ₹ in Lakhs

The carrying amounts of assets and liabilities as at the date of sale (10 July 2017) were as follows:

Particulars		10 July 2017
Property, plant and equipment		852
Trade receivables		2,684
Other current assets		4,803
Total assets		**8,339**
Trade payables		1,656
Other current liabilities		654
Total liabilities		2,310
Net assets	**a**	6,029
Interest of holding company in the subsidiary	**b**	51%
Proportionate share of Net assets	**c = (a*b)**	**3,075**

42 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	(300%)	3,486	273%	183	-19%	26	-303%	209
Indian subsidiary								
Inspirisys Solutions IT Resources Limited	-4%	42	910%	610	-	-	(884%)	610
Foreign subsidiary								
Accel Frontline DMCC	132%	(1,531)	-682%	(457)	-	-	662%	(457)
Inpirisys Solutions Japan Kabushiki Kaisha	78%	(912)	-551%	(369)	-	-	535%	(369)
Network Programs (USA) Inc.,	31%	(363)	-25%	(17)	-	-	25%	(17)
Inspirisys Solutions North America Inc., USA	123%	(1,431)	-300%	(201)	-	-	291%	(201)
Inspirisys Solutions Europe Limited, UK	16%	(190)	-40%	(27)	-	-	39%	(27)
Adjustments arising on consolidation	23%	(263)	515%	345	119%	(162)	-265%	183
	100%	**(1,162)**	**100%**	**67**	**100%**	**(136)**	**100%**	**(69)**

Notes 1 to 42 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 : 09 May 2019

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
Date : 09 May 2019

NOTES

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)
CIN: L30006TN1995PLC031736
Registered Office: 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

ATTENDANCE SLIP

24TH ANNUAL GENERAL MEETING ON TUESDAY, 17TH SEPTEMBER, 2019.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name and Address of the Registered Member	
Folio No. / DP ID. / Client ID.	
No. of Shares	

I/We hereby record my/our presence at the 24th Annual General Meeting (AGM) of the Company to be held on Tuesday, 17th September, 2019 at 11.00 A.M. at "The Music Academy Mini Hall, TTK Road, Alwarpet, Chennai - 600 014" or any adjournment thereof.

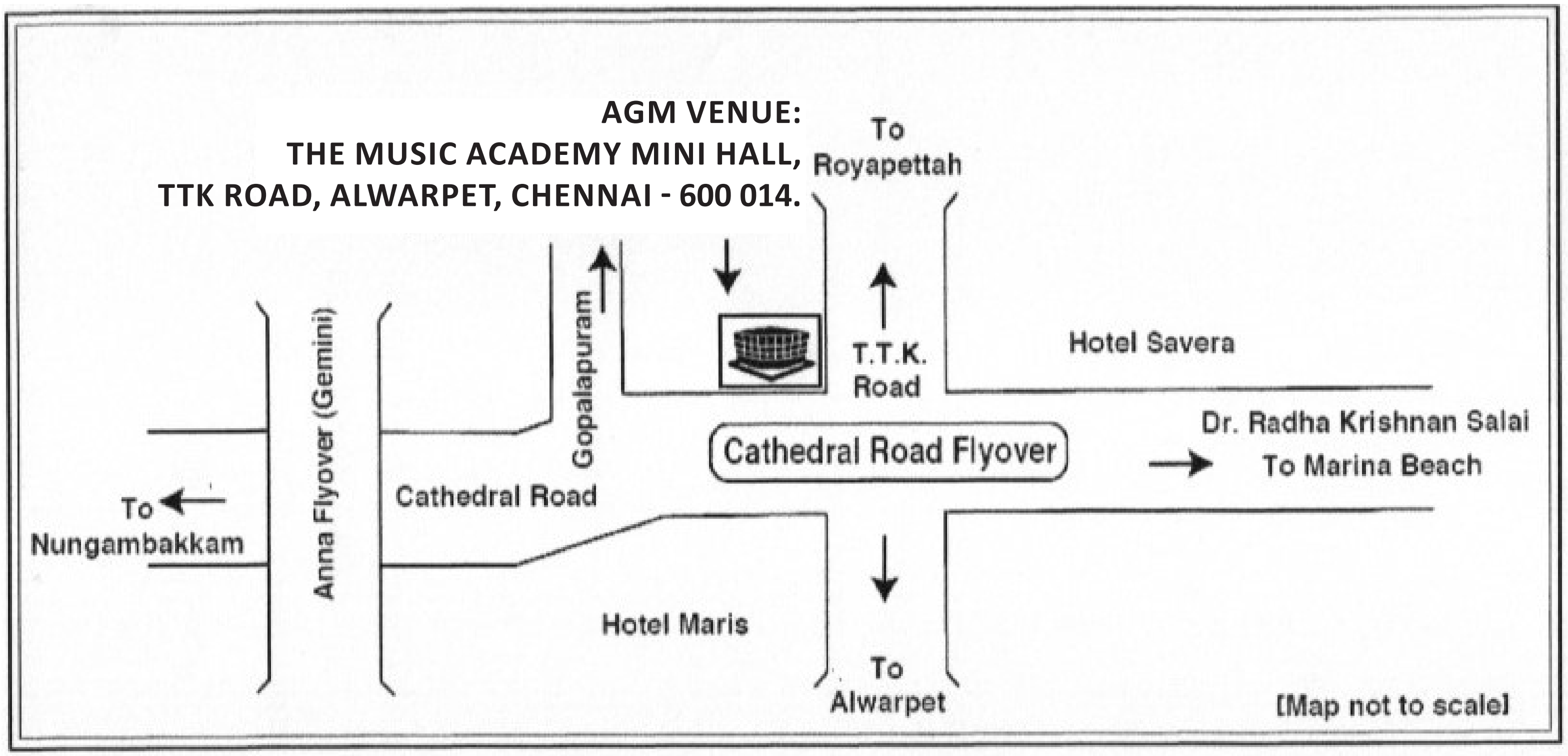
____

[Signature of Shareholders/Proxy(s) Joint member attending the meeting]

EVEN (Electronic Voting EVENT Number)	USER ID	PASSWORD
111429		

Note: Person attending the meeting is requested to bring this Attendance Slip with him/her.
Duplicate Attendance Slip will not be issued at the Annual General Meeting.

Route map for the Venue of AGM of
Inspirisys Solutions Limited (Formerly Accel Frontline Limited)
to be held on Tuesday, 17th September, 2019 at 11.00 A.M.



INSPIRISYS SOLUTIONS LIMITED
(Formerly Accel Frontline Limited)
CIN: L30006TN1995PLC031736
Registered Office: 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

PROXY FORM

24TH ANNUAL GENERAL MEETING ON TUESDAY, 17TH SEPTEMBER, 2019.

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014)

CIN	L30006TN1995PLC031736
Name of the Company	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.
Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / DP ID. / Client ID.	

I/We, being the Member(s) of____________________shares of Inspirisys Solutions Limited (Formerly Accel Frontline Limited), hereby appoint:

1. Name : .... Email-Id: ....
   Address : ....
   Signature : .... or failing him/her
2. Name : .... Email-Id: ....
   Address : ....
   Signature : .... or failing him/her
3. Name: : .... Email-Id: ....
   Address : ....
   Signature : .... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting (AGM) of the Company to be held on Tuesday, 17th September, 2019 at 11.00 A.M. at "The Music Academy Mini Hall, TTK Road, Alwarpet, Chennai - 600 014" and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For*	Against*
Ordinary Business			
1.	Receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company as at 31st March, 2019 together with the reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr. Malcolm F. Mehta who retires by rotation.		
3.	Re-appointment of Statutory Auditors		
Special Business			
4.	Appointment of Mr. Koji Iketani as a Non-Executive (Non-Independent) Director of the company.		
5.	Re-appointment of Mrs. Ruchi Naithani as an Independent Women Director.		
6.	Re-appointment of Mr. Raj Khalid as an Independent Director.		

Signed this ____________ day of __________________ 2019

Affix
₹1
Revenue
Stamp

Signature of Member(s): ....

Signature of Proxy holder(s): 1. ....

2. ....

3. ....

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.
3. This form of proxy will be valid only if it is duly complete in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid. Undated proxy form will also not be considered as valid.

*4. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.