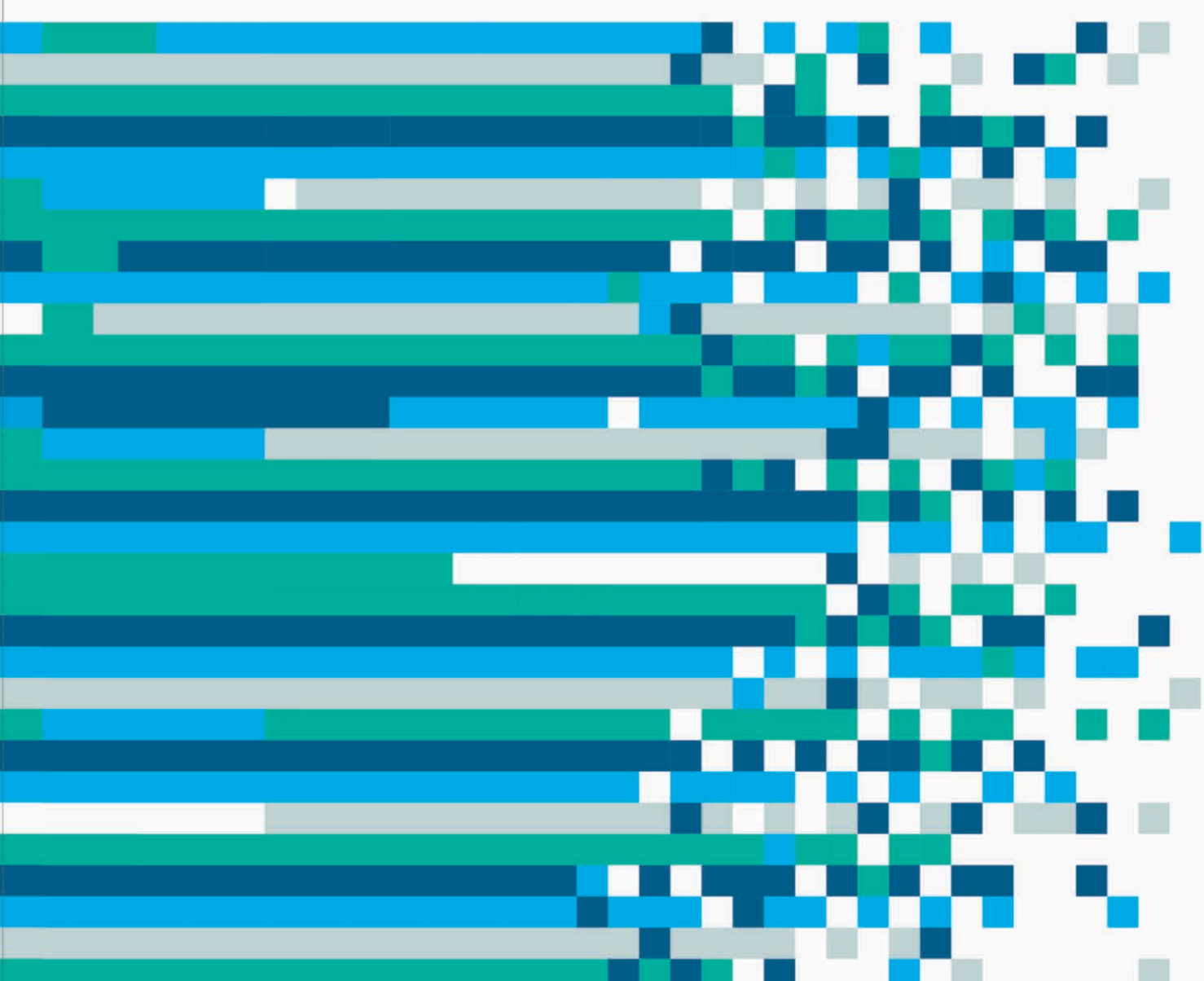


# 29<sup>TH</sup> ANNUAL REPORT

## 2023-24



## Company Information

### Board of Directors

<b>Mr. Koji Iketani</b>	- Chairman (Non-Executive & Non-Independent Director)
<b>Mr. Murali Gopalakrishnan</b>	- Executive Director & CEO
<b>Mrs. Ruchi Naithani</b>	- Independent Director
<b>Mr. Rajesh R. Muni</b>	- Independent Director
<b>Mr. M S Jagan</b>	- Independent Director
<b>Mr. Toru Horiuchi</b>	- Non-Executive & Non-Independent Director

### Key Managerial Personnel (KMPs)

<b>Mr. Murali Gopalakrishnan</b>	- Executive Director & CEO
<b>Mr. Balaji Ramanujam</b>	- Chief Financial Officer
<b>Mr. S. Sundaramurthy</b>	- Company Secretary & Compliance Officer

### Committees

#### Audit Committee

<b>Mr. Rajesh R. Muni</b>	- Chairman
<b>Mrs. Ruchi Naithani</b>	- Member
<b>Mr. Koji Iketani</b>	- Member
<b>Mr. M.S. Jagan</b>	- Member

#### Stakeholders Relationship Committee

<b>Mr. M.S. Jagan</b>	- Chairman
<b>Mr. Rajesh R. Muni</b>	- Member
<b>Mrs. Ruchi Naithani</b>	- Member
<b>Mr. Koji Iketani</b>	- Member

#### Nomination and Remuneration Committee

<b>Mrs. Ruchi Naithani</b>	- Chairperson
<b>Mr. Rajesh R. Muni</b>	- Member
<b>Mr. Koji Iketani</b>	- Member
<b>Mr. M S Jagan</b>	- Member

#### Corporate Social Responsibility Committee

<b>Mr. M.S. Jagan</b>	- Chairman
<b>Mrs. Ruchi Naithani</b>	- Member
<b>Mr. Rajesh R. Muni</b>	- Member
<b>Mr. Murali Gopalakrishnan</b>	- Member

### Management Team

<b>Mr. Jayesh Ahluwalia</b>	- President - Infra Products & Services Division
<b>Mr. Srinivas Bhaskara</b>	- President - Product Engineering Division
<b>Mr. Maqbool Hassan</b>	- President - Dubai Operations
<b>Mr. Reni Rozario</b>	- President - Corporate

### Statutory Auditors

M/s. Walker Chandio & 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, Chennai.  
HDFC Bank, Chennai.

### 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.  
Tel. : 044-4225 2000  
E-mail : sundaramurthy.s@inspirisys.com

### Company's Website

[www.inspirisys.com](http://www.inspirisys.com)

### Corporate Identification Number

L30006TN1995PLC031736

ISIN No. : INE020G01017

<b>Contents</b>	<b>Page No.</b>
1. Notice to Members	3
2. Directors' Report	12
3. Secretarial Audit Report	31
4. Corporate Governance Report	35
5. Standalone Financial Statements	
5.1 Independent Auditors' Report	54
5.2 Balance Sheet	64
5.3 Statement of Profit and Loss	65
5.4 Cash Flow Statement	66
5.5 Notes forming part of Standalone Financial Statements	68
6. Consolidated Financial Statements	
6.1 Statement in Form AOC-1 related to Subsidiary Companies	107
6.2 Independent Auditors' Report	108
6.3 Balance Sheet	115
6.4 Statement of Profit and Loss	116
6.5 Cash Flow Statement	118
6.6 Notes forming part of Consolidated Financial Statements	120

## NOTICE OF THE TWENTY NINETH ANNUAL GENERAL MEETING

### Inspirisys Solutions Limited

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

Tel. : 044-4225 2000

E-mail : sundaramurthy.s@inspirisys.com

CIN: L30006TN1995PLC031736

#### TO

#### THE MEMBERS OF INSPIRISYS SOLUTIONS LIMITED

NOTICE is hereby given that the Twenty-Ninth Annual General Meeting of the members of Inspirisys Solutions Limited will be held on Friday, 28<sup>th</sup> June, 2024 at 2.00 PM through Video Conferencing (VC) / Other Audio Visual Means (OAVM), and the Company will conduct the meeting from the Registered office i.e. First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010 which shall be deemed to be the venue of the meeting to transact the following business:

#### Ordinary Business:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2024 together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Toru Horiuchi, (DIN:08111162) who retires by rotation and, being eligible, offers himself for re-appointment.

#### 3. 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, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. MSKA & Associates, Chartered Accountants, bearing (Firm Registration Number: 105047W), be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s. Walker Chandiook & Co LLP, the retiring Auditors) from the conclusion of this Annual General Meeting of the Company till the conclusion of thirty-fourth Annual General Meeting of the Company to be held for the Financial Year 2028-2029 at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company after discussion with the Auditors.”

**“RESOLVED FURTHER THAT** the Board of Directors or Key Managerial Personnels of the Company be and are hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be deemed necessary, proper or expedient to give effect to the above resolution.”

**By order of the Board of Directors  
For Inspirisys Solutions Limited**

Place: Chennai  
Date: 10<sup>th</sup> May, 2024

**S.Sundaramurthy  
Company Secretary**

#### NOTES:

1. In view of the relaxation pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, Circular No.17/2020 dated 13<sup>th</sup> April, 2020 issued by the Ministry of Corporate Affairs followed by General Circular No. 09/2023 dated 25<sup>th</sup> September 2023 and all other relevant circulars issued from time to time, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and general meeting can be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 5<sup>th</sup> May, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, the Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at [www.inspirisys.com](http://www.inspirisys.com). The Notice and the Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and the Share Transfer Register of the Company will remain closed from Saturday, 22<sup>nd</sup> June, 2024 to Friday, 28<sup>th</sup> June, 2024 (both days inclusive).

8. Additional information, pursuant to the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 with respect to the appointment of the Statutory Auditors of the Company, as proposed under item No. 3 of this Notice under Ordinary Business, is also provided in the Explanatory Statement.
9. Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by the members in electronic mode. Members can send an e-mail to [sundaramurthy.s@inspirisys.com](mailto:sundaramurthy.s@inspirisys.com) requesting for inspection of the Registers.
10. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and MCA Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, MCA Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, MCA Circular No. 2/2021 dated 13<sup>th</sup> January, 2021, MCA Circular No. 2/2022 dated 5<sup>th</sup> May, 2022, MCA Circular No. 10/2022 dated 28<sup>th</sup> December, 2022 and MCA Circular No. 09/2023 dated 25<sup>th</sup> September 2023.
11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 5<sup>th</sup> January, 2023 and 7<sup>th</sup> October, 2023. Notice of the AGM along with the Annual Report 2023-2024 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. The Notice and the Annual Report of the Company is uploaded on the Company's website [www.inspirisys.com](http://www.inspirisys.com).
12. 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. Friday, 21<sup>st</sup> June, 2024 only shall be entitled to avail the remote e-voting facility as well as voting in the AGM.
13. 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. Friday, 21<sup>st</sup> June, 2024 ("Incremental Members") may obtain the User ID and Password by either sending an e-mail request to [evoting@nsdl.com](mailto:evoting@nsdl.com) or calling at 022-4886 7000 and 022-2499 7000. 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.
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 certificates. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest. Pursuant to SEBI LODR Amendments, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form and the transmission or transposition of securities held in the physical or dematerialized form shall be effected only in dematerialized form.
15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation/variation in nomination in the prescribed Form SH-14 with the Company's Registrar & Transfer Agents. The nomination forms can be downloaded from the company's website [www.inspirisys.com](http://www.inspirisys.com). In respect of shares held in Electronic / Demat form, the nomination form may be filed with the respective Depository Participant.
16. As required in terms of SEBI (LODR) Regulations, 2015, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / reappointment in the AGM is appended to this Notice.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their DPs with whom they are maintaining their Demat accounts and members holding shares in physical form to the Company / Registrar & Transfer Agents.
18. Members holding shares in physical form and who have not yet registered their e-mail addresses are requested to register the same with the Company by sending an e-mail to [sundaramurthy.s@inspirisys.com](mailto:sundaramurthy.s@inspirisys.com). Members holding shares in electronic form are requested to get their e-mail addresses registered with their respective Depository Participant.
19. Pursuant to SEBI Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023 read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023 (updated as of August 11, 2023) has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. The shareholders apart from raising requests to resolve their grievances through RTA / Company directly or through the SCORES Platform can initiate the dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's website ([www.inspirisys.com](http://www.inspirisys.com))
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:**

**The remote e-voting period begins on Monday, 24<sup>th</sup> June, 2024 at 9:00 A.M. (IST) and ends on Thursday, 27<sup>th</sup> June, 2024 at 5:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 21<sup>st</sup> June, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 21<sup>st</sup> June, 2024.**

**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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

In terms of SEBI circular dated 09<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>‘IDeAS’</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> </p> <p> </p>
Individual Shareholders holding securities in demat mode with CDSL.	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/ Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> </ol>

	4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL.	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL.	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 e-services 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. Password details for shareholders other than Individual shareholders are given below :
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - 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.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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](mailto:alagar@geniconsolutions.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.



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](http://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](http://www.evoting.nSDL.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Prajakta, Assistant Manager, NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [sundaramurthy.s@inspirisys.com](mailto:sundaramurthy.s@inspirisys.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [sundaramurthy.s@inspirisys.com](mailto:sundaramurthy.s@inspirisys.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step **1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated 09<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with

Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

**ONLINE PROCESSING OF INVESTOR SERVICE REQUESTS AND COMPLAINTS BY RTA:**

Swayam is a secure, user-friendly web-based application, developed by “Link Intime India Pvt. Ltd.”, our Registrar and Share Transfer Agent (RTA) that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal.

This application can be accessed at <https://swayam.linkintime.co.in>

- Effective Resolution of Service Request-Generate and track service requests/complaints through SWAYAM.
- Features-A user-friendly GUI.
- Track Corporate Actions like Dividend/Interest/Bonus/ Split.
- PAN-based investments-provides access to PAN-linked accounts, company-wise holdings, and security valuations.
- Effortlessly raise requests for Unpaid Amounts.
- Self-Service-Portal-for securities held in demat mode and physical securities, whose folios are KYC Compliant.
- Statements-View entire holdings and status of corporate benefits.
- Two-factor Authentication (2FA) at login-Enhances security for investors.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request along with the questions in advance atleast 3 days prior to the meeting (i.e. before 2.00 p.m. (IST) on 25<sup>th</sup> June, 2024), mentioning their name, demat account number / folio number, email id, mobile number at [sundaramurthy.s@inspirisys.com](mailto:sundaramurthy.s@inspirisys.com). Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.

6. Shareholders who would like to send their questions are requested to do so in advance atleast 3 days prior to the meeting (i.e. before 2.00 p.m. (IST) on 25<sup>th</sup> June, 2024), mentioning their name, demat account number/folio number, email id, mobile number at [sundaramurthy.s@inspirisys.com](mailto:sundaramurthy.s@inspirisys.com).

**General :**

1. Mr. M. Alagar, Managing Partner (Membership No. F7488 and CoP No. 8196) of M/s. M. Alagar & Associates, Practicing Company Secretaries, Chennai (Firm Registration No. P2011TN078800), has been appointed as the Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner.
2. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
3. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.inspirisys.com](http://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.

**By order of the Board of Directors  
For Inspirisys Solutions Limited**

**Place: Chennai  
Date: 10<sup>th</sup> May, 2024**

**S.Sundaramurthy  
Company Secretary**

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

### Item No. 3

The Members of the Company at their 19<sup>th</sup> Annual General Meeting (AGM) held on 11<sup>th</sup> September, 2014 have approved the appointment of M/s. Walker Chandiook & Co LLP., Chartered Accountants as the Statutory Auditors of the Company for a period of 5 years (First Term) from Financial Year 2013-2014 till Financial Year 2018-2019. At the 24<sup>th</sup> Annual General Meeting (AGM) held on 17<sup>th</sup> September 2019, the Shareholders have re-appointed them as the Statutory Auditors of the Company for a period of 5 years (Second Term) from the conclusion of the said AGM till the conclusion of this 29<sup>th</sup> AGM. Accordingly as per Section 139 of the Companies Act 2013 read with rules thereunder, the tenure (two consecutive term of 5 years each) of M/s. Walker Chandiook & Co LLP., Chartered Accountants as the Statutory Auditors of the Company will expire on the conclusion of this AGM. Therefore the company needs to appoint a new audit firm as the Statutory Auditors of the Company for a period of 5 years in this AGM.

The Board of Directors, based on the recommendation of the Audit Committee proposes the appointment of M/s. MSKA & Associates, Chartered Accountants (Firm Regn No.: 105047W) as the Statutory Auditors of the Company. If approved by the members, the appointment of M/s. MSKA & Associates, Chartered Accountants, as the Statutory Auditors will be for a period of 5 years commencing from the conclusion of this 29<sup>th</sup> Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting to be held for the Financial Year 2028 - 2029 at such remuneration plus reimbursements of out-of pockets and travelling expenses etc., during their tenure as may be recommended by the Audit Committee and approved by the Board of Directors.

M/s. MSKA & Associates, Chartered Accountants established in 1978 is an indian partnership firm registered with the Institute of Chartered Accountants of India (ICAI) and the US Public Company Accountancy Oversight Board (PCAOB) having their head office at 602, 6<sup>th</sup> Floor, Raheja Titanium, Western Express Highway, Geetanjali Railway Colony, Ram Nagar, Gurgaon (E), Mumbai - 400 063, and having offices across 11 cities in India at Gurugram, Chandigarh, Kolkatta, Ahmedabad, Chennai, Goa, Pune, Bengaluru, Kochi, Hyderabad and Coimbatore. The audit firm has a valid peer review certificate. The firm primarily provides Audit and assurance, tax and consultancy services to its clients. The firm's Audit & Assurance practice has significant experience across various industries, markets and geographies.

M/s. MSKA & Associates, Chartered Accountants, have confirmed that their appointment, if made, would be within the limits specified under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2), and Section 141(3) of the Companies Act, 2013 and the provisions of the Companies (Audit and Auditors) Rules 2014.

None of the Directors, Key Managerial Personnels and their relatives are concerned or interested in the resolution in item no.3 of the Notice.

The Board recommends the ordinary resolution for item no.3 of this notice for the approval of the shareholders.

**Annexure A to the Notice dated 10<sup>th</sup> May, 2024**  
**Details of Directors retiring by rotation / seeking re-appointment at the meeting**

Name of the Director	<b>Mr. Toru Horiuchi</b>
DIN	08111162
Date of Birth / Age	26 <sup>th</sup> August, 1967 / 56 years
Date of first Appointment on the Board	01 <sup>st</sup> November, 2022
Qualification	Bachelor of Laws from Waseda University, Tokyo.
Expertise	He has a vast knowledge base and experience in Finance & Accounts spanning over more than two decades.
Chairmanship / Membership of the Committees of the Board of Director of the Company.	Nil
List of other Public Companies in which Directorship held	Nil
Chairmanship / Membership of the Committee of other companies in which he / she is a Director.	Nil
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on 31 <sup>st</sup> March, 2024.	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company.	Nil
Number of meetings attended during the year.	Please refer Corporate Governance Section of the 29th Annual Report 2023-2024.

This space is intentionally left blank

## DIRECTORS' REPORT

To  
**THE MEMBERS OF INSPIRISYS SOLUTIONS LIMITED**

The Directors are pleased to present the 29<sup>th</sup> Annual Report of the Company together with the Standalone and Consolidated Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2024.

### 1. FINANCIAL RESULTS

₹ in lakhs

Particulars	Consolidated		Standalone	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Total Revenue	49,422	37,654	48,150	36,001
Earnings before interest, tax, depreciation and amortization (EBITDA)	3,559	3,381	3,863	3,414
Finance costs	1,058	778	748	650
Depreciation and amortization expense and impairment loss	458	557	458	560
Profit / (loss) before tax and exceptional items	2,043	2,046	2,657	2,206
Profit / (loss) before tax	2,043	2,046	2,657	2,206
Profit / (Loss) of discontinued Operations	(1,179)	(1,889)	-	-
Tax expense	497	411	497	411
Profit / (loss) for the year	367	(254)	2,160	1,795
Other comprehensive income for the year, net of tax	107	(662)	(45)	(10)
Total comprehensive income for the year	474	(916)	2,115	1,785

### 2. BUSINESS PERFORMANCE

Consolidated Revenue stood at ₹ 49,422 Lakhs for the year ended March 31, 2024 which is an increase of 31% on a Revenue of ₹ 37,654 Lakhs achieved for March 31, 2023. Total Revenue on a Standalone basis for the year ended 31<sup>st</sup> March 2024 stood at ₹ 48,150 Lakhs which is an increase of 34% from the Total Revenue of ₹ 36,001 Lakhs reported for year ended 31<sup>st</sup> March, 2023.

Increase in revenue has come from all segments of the business within India except warranty management services division. India standalone business was good during the year with the company winning some large infra products and services projects. However, the US market continued to be sluggish due to recession and continuing Russia and Ukraine war.

Growth in Revenue and Margins from India and loss curtailed at Dubai subsidiary which has gone in for liquidation helped the company improve the consolidated EBITDA for the financial year ended 31<sup>st</sup> March 2024 to ₹ 3,559 Lakhs compared to ₹ 3,381 Lakhs for the year ended 31<sup>st</sup> March 2023. EBITDA on a standalone basis for the year ended 31<sup>st</sup> March 2024 was ₹ 3,863 Lakhs compared to ₹ 3,414 Lakhs for the year ended 31<sup>st</sup> March 2023.

The company's consolidated and standalone performance was profitable with a PBT of ₹ 864 Lakhs after adjusting for losses from discontinued operations and ₹ 2,657 Lakhs respectively for March 31, 2024. The company started voluntary liquidation process of its subsidiary company in Dubai due to continued losses. The Results of the discontinued operations are shown as separate line items in the Financial Statements of the current period as per IAS 105.

### 3. DIVIDEND

The Company has made profit in the financial year 2023-2024. However the retained earnings of the company is still in negative and hence the Directors of the company do not recommend any dividend for the year ended 31<sup>st</sup> March, 2024.

### 4. HUMAN RESOURCES DEVELOPMENT

Ensuring the acquisition and retention of top-tier talent remains the primary objective of our HR function, a commitment substantiated by tangible outcomes reflecting the pivotal role of the Human Resource function in the company's growth trajectory and strategic endeavours. Recognizing that people are the cornerstone of its competitiveness, the company

remains steadfast in its commitment to nurturing talent by harnessing the power of technology.

To achieve this, the Company has set in place an agile Talent Acquisition System designed to swiftly respond to business needs by ensuring a steady stream of skilled resources.

The head count of the company was 1621 as on 31<sup>st</sup> March, 2024.

Employing a robust on boarding model, the company effectively integrates newly acquired associates into its cultural fabric, fostering a sense of belonging and alignment with organizational values.

The learning and development team working as part of the Human Resources function has imparted 4079 man-days of training to employees on various technology solutions and skill development.

Acknowledging the rapid evolution of technology, we proactively engage in training initiatives, arming our workforce with the acumen to navigate emerging complexities, meet market demands, and consistently deliver exemplary service to our clients. Emphasizing performance enhancement through ongoing training and development stands as a cornerstone of the HR strategy.

Furthermore, the company places paramount importance on fostering open, transparent communication channels with employees, as evident from the voluntary attrition rate during the year, which was 30 percent, aligning with prevailing industry standards amidst dynamic market conditions.

## 5. BUSINESS EXCELLENCE AND QUALITY INITIATIVES

ISL is committed to assure Delivery certainty and Quality to its customers. As part of this commitment, ISL teams have embraced CMMI Level 5 Development 2.0 Process and metrics based framework that needs continuous improvement giving scope to bettering processes. This journey resulted in getting certified in CMMI Level 5 certification.

The processes adopted are helping to continuously look into our processes for improvement.

In FY 2023-2024 the company kept the Quality Management Systems updated with continued investment in technologies, infrastructure and processes.

The company has certifications for:

- ISO 9001:2015 (Quality Management System)
- ISO 27001:2013 (Information Security Management System)
- ISO 20000-1:2018 (Service Management System)
- CMMI Level 5 Dev 2.0

- ISO 14001:2015 (Environmental Management System)
- SOC 2 Type II (System and Organization Controls).

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.

## 6. DOCUMENTS PLACED ON THE WEBSITE ([www.inspirisys.com](http://www.inspirisys.com))

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

- a. Consolidated and Standalone Financial Statements of the Company.
- 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).

## 7. SUBSIDIARY COMPANIES

The company has only one operational subsidiary company Inspirisys Solutions North America a wholly owned subsidiary registered in the State of California, USA as on 31<sup>st</sup> March, 2024. The other wholly owned subsidiaries in Japan, UK, Delaware, USA and India had suspended operations since March 2020, March 2022 and March 2019 respectively. During the financial year ended March 31, 2024 the wholly owned subsidiary in United Arab Emirates (Dubai) has started the process of voluntary liquidation. The Company also has a branch office in Singapore. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). The Statutory Audit Report of the Subsidiary Companies for the financial year are placed before the Audit Committee and reviewed by them. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary. Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries is in Form No. AOC-1, which forms part of this Annual Report.

As required by the SEBI (LODR) Regulations, 2015 the Company has adopted the regulations and formulated a Policy for determining Material Subsidiaries and the said policy is available on the Company's website [www.inspirisys.com](http://www.inspirisys.com). As per the policy the wholly owned subsidiary Inspirisys Solutions IT Resources Limited is material subsidiary of the Company

in accordance with the SEBI (LODR) Regulations, 2015 for the year under purview. The material subsidiary of the Company has also undertaken the Secretarial Audit in line with the requirements of Regulation 24A of SEBI (LODR) Regulations 2015.

#### **8. CORPORATE GOVERNANCE REPORT REQUIRED UNDER SEBI (LODR) REGULATIONS, 2015**

The Company is committed to maintain the highest standards of governance and has also implemented several best governance practices. The report on Corporate Governance as per the SEBI (LODR) Regulations 2015 forms part of the Annual Report. The Certificate from the Practising Company Secretaries of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

#### **9. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion and Analysis Report and various initiatives and future prospects of the Company for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate Annexure II that forms an integral part of this Report.

#### **10. DIRECTORS RESPONSIBILITY STATEMENT**

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

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

On the basis of the internal financial control framework and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory and Secretarial Auditors, including Internal Financial Controls Audit over financial reporting by the Statutory Auditors and the reviews performed by management and the relevant Board committees, including the Audit committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2023-2024.

#### **11. STATUTORY AUDITOR'S REPORT**

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

As disclosed with Note 7c to the Standalone Financial and Consolidated Financial Statements, the Company has a trade receivable of ₹ 4,049 Lakhs as on 31 March 2024 (₹ 4,033 Lakhs as on 31 March 2023) from one of its subsidiary company Inspirisys Solutions North America, Inc (ISNA). The balance reflects accumulation of receivables since 2018-19. ISNA, the wholly owned subsidiary of Inspirisys Solutions Limited (ISL), India is the marketing arm for the offshore services offered and delivered to the US customers of ISNA from ISL India. ISNA has been working with customers in North America and have been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represents services performed and billed on ISNA over the years in respect of offshore services for the clients of ISNA. The Management is working on turning around the business performance of ISNA and are hopeful of generating profits to pay ISL India against the trade receivables and to this effect have drawn up business plans for the subsidiary for the next few years. In view of the above, the Management considers not making any provision towards any expected credit loss against these Accounts Receivable from ISNA including GST liability if any on such export receivables together with interest thereon as we are hopeful of collecting the dues from ISNA.

The impact of non-compliance with Clause C.20 of the Master Direction - Export of Goods and Services (Updated as on 22<sup>nd</sup> November, 2022) for non-realization of export proceeds within stipulated timeline has been determined to be immaterial to the standalone & consolidated financial statements.

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

- Proceeding of the 28<sup>th</sup> Annual General Meeting of the Company dated on 30<sup>th</sup> June, 2023.
- Details of pendency of litigations / disputes which have impact on the Company as per Schedule III, Part A, and Part B which is a material event disclosed upon application of the guidelines for material referred in sub regulation (4) of Regulation 30 of SEBI (LODR) Regulations, 2015 dated on 14<sup>th</sup> August, 2023.
- Received the copy of SEBI final order no. QJA/GG/CFID-SEC4/29359/2023-24 dated on September 20, 2023.
- Intimation regarding initiation of Voluntary Winding Up and Liquidation of Inspirisys Solutions DMCC a wholly-owned subsidiary dated on 28<sup>th</sup> September, 2023.
- Company received the Initial Public Announcement in respect of Voluntary Delisting of Equity Shares from the Manager of the Offer dated on 10<sup>th</sup> November, 2023.
- Board of Directors of the Company approved the proposal of Voluntary Delisting of the Equity Shares dated on 16<sup>th</sup> November, 2023.
- Proceedings relating to the resolutions passed by way of Postal Ballot through e-voting by the Shareholders 30<sup>th</sup> December, 2023.
- Received In-Principle Application Approval from both the Stock Exchanges dated on 28<sup>th</sup> March, 2024.
- Company received the Detailed Public Announcement and Letter of Offer dated on 30<sup>th</sup> March, 2024.
- Formation of Independent Directors Committee for the recommendations in relation to the Voluntary Delisting of equity shares of the Company dated on 01<sup>st</sup> April, 2024.
- Outcome of the Reverse Book Building Process pursuant to Regulation 17(3) of the SEBI Delisting of Equity Shares Regulations 2021 dated on 19<sup>th</sup> April, 2024.
- Submission of post offer public announcement for failure of voluntary delisting offer from BSE and NSE dated on 23<sup>rd</sup> April, 2024.

## 13. 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 that forms an integral part of this Report.

## 14. SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 19<sup>th</sup> March, 2024 and evaluated the performance of Non-Independent Directors, the Board as a whole and Chairperson of the company and information flow from the Company. Details regarding the same is provided in the Corporate Governance Report forming part of the Annual Report of the Company.

## 15. EVALUATION OF THE BOARD'S PERFORMANCE

The Board of Directors has carried out performance evaluation of Board, its Committee and individual Directors, in accordance with the manner specified by Nomination and Remuneration Committee and as approved by the Board of the Company. The manner in which the evaluation has been carried out is explained in the Corporate Governance report forming part of the Annual Report of the Company.

## 16. AUDITORS

### a) Statutory Auditors

In terms of Section 139 of the Companies Act, 2013, the second term of office of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm's Registration No. 001076N/ N500013) Statutory Auditors of the Company, will expire at the conclusion of the forthcoming Annual General Meeting of the Company.

The Reports given by the Statutory Auditors on the financial statement of the company forms part of this Annual Report. The Auditors have issued a Qualified Report with respect to certain receivables from a wholly owned subsidiary company Inspirisys Solutions North America and the Management has provided its response to the qualification in the notes to the financial statement. The notes on financial statement referred to in the Auditors Report are self-explanatory and do not call for any further comments.

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

Consequent to the expiry of the term of M/s Walker Chandiok & Co LLP, as statutory auditors of the company, the Audit Committee and Board have evaluated and recommend the appointment of M/s. MSKA & Associates, Chartered Accountants, (Firm Registration No. 105047W), as the Statutory Auditors of the Company, for a period of five years (First Term) from the conclusion of this 29<sup>th</sup> Annual General Meeting till the conclusion of the 34<sup>th</sup> Annual General Meeting to be held in the Financial Year 2028-2029.



As required under the provisions of Section 139 and 141 of the Companies Act, 2013, the Company has received written consent and certificate from M/s. MSKA & Associates, Chartered Accountants, to the effect that their appointment, if made, would be in conformity with the limits specified in the section.

**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, Managing Partner (Membership No. F7488 and CoP No. 8196) of M/s. M. Alagar & Associates, Practising Company Secretaries, Chennai to undertake the Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2024. The Secretarial Audit Report is annexed as Annexure IV to this report. The said Secretarial Audit report does not contain any qualifications, reservations or adverse remarks.

Inspirisys Solutions IT Resources Limited, an unlisted material subsidiary of the Company has obtained Secretarial Audit Report from a Practising Company Secretary and it does not have any qualification or adverse remark. The same is available on the Company's website i.e. [www.inspirisys.com/investors](http://www.inspirisys.com/investors)

**17. PARTICULARS OF EMPLOYEES**

Disclosures pertaining to the remuneration and other details, as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in the Annual Report. In terms of 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 annexures relating to the details of the employees who draw remuneration in excess of the limits in terms of the above provisions and the statement containing the name of top ten employees in terms of remuneration drawn are excluded in the Annual Report which is being sent to the Shareholders of the Company in terms of the first proviso to Section 136(1) of the Companies Act, 2013. The aforesaid annexures are available for inspection in electronic mode and any member interested in obtaining a copy of the same may write to the Company Secretary.

**18. FIXED DEPOSITS FROM PUBLIC**

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

**19. CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, Corporate Social Responsibility Committee was formed by the Company 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 available on the company's website [www.inspirisys.com](http://www.inspirisys.com). Detailed report on CSR activities in the prescribed format is forming part of this annual report as annexure.

As a responsible Corporate Entity, at Inspirisys Solutions Limited, we always strive to make a positive and lasting impact on our environment and the community we operate in. In the year 2023-24, the company through its CSR efforts initiated a collaborated CSR Program on "Special Education for 23 Students" between Inspirisys Solutions Limited & Anandam (A registered Public Charitable Trust under Indian Trust Act, 1882).

This program helped the students for Special Educators, Physio/Occupational Therapy, Speech Therapy, Athletic Sports Coach, Counsellor, Caregivers, Skating Activities, Assessment Consultation, Functional Academics, Therapy Activities for daily living, Outbound Training, Teachers Training Programs, Parent Training Orientation and Home visits for remedial & Therapy. Through this programme, around 23 students are benefited.

**20. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)  
Directors**

Mr. Toru Horiiuchi, (DIN: 08111162) Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The brief profile of the Director is furnished in the Notice convening the AGM of the Company.

## 21. POLICY ON PREVENTION OF SEXUAL HARASSMENT 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 there were no cases pending for disposal.

## 22. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place: Chennai  
Date: 10<sup>th</sup> May, 2024

**Murali Gopalakrishnan**  
Executive Director & Chief Executive Officer  
DIN: 08066529

**Rajesh R. Muni**  
Independent Director  
DIN: 00193527

*This space is intentionally left blank*

## **ANNEXURE - I TO THE DIRECTOR'S REPORT**

### **1. ANNUAL RETURN**

As required pursuant to Section 92(3) of the Companies Act, 2013 the Annual Return of the Company is posted on the Company's website [www.inspirisys.com](http://www.inspirisys.com). The requisite link is [www.inspirisys.com/investors](http://www.inspirisys.com/investors)

### **2. NUMBER OF MEETINGS OF THE BOARD**

There were 6 meetings of the Board of Directors during the year under review. For details of the meetings, please refer to the Corporate Governance Report, which forms part of this Report.

### **3. INDEPENDENT DIRECTORS' DECLARATION**

Mrs. Ruchi Naithani, Mr. Rajesh R. Muni and Mr. M S Jagan who are Independent Directors, have submitted a declaration that each of them meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act and SEBI (LODR) Regulations, 2015. Further, there has been no change in the circumstances which may affect their status as Independent Director during the year.

### **4. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Act has been disclosed in Corporate Governance Report which forms part of this Report. Further, information about elements of remuneration package of individual directors is provided in the Annual Return (under Section 92(3) of the Act), which is disclosed in the Company's website [www.inspirisys.com](http://www.inspirisys.com) under investors section.

### **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 31<sup>st</sup> March, 2024.

### **6. RELATIONSHIP BETWEEN DIRECTORS INTER-SE**

Transactions with any of the related parties were not in conflict with the interest of the Company. Members' attention is drawn to the transaction with related parties disclosure set out in Note No. 36 of Consolidated Accounts and Note No. 36 of Standalone Accounts forming part of the Financial Statements as at and for the year ended 31<sup>st</sup> March, 2024. The Company's related party transactions are primarily with its subsidiaries and associates and between subsidiaries and other related parties. 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 for the year ended 31<sup>st</sup> March, 2024. There were 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 and complied the provisions of the Companies Act.

### **9. INTERNAL CONTROL**

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

The internal control system is further strengthened by Internal Audit carried by an Independent firm of Chartered Accountants and periodical review conducted by the management. The Management, Internal Auditors and Statutory Auditors conduct IFC Tests to ensure the controls are in place and working. The Audit Committee of the Board addresses issues raised by Internal Auditors and the Statutory Auditors.

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

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

### **10. RISK MANAGEMENT**

The Board of Directors of the Company oversee the Risk Management of the Company on a continuous basis. The Board oversees the Company's process and policies to

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

#### 11. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

The same is disclosed in the Company's website [www.inspirisys.com](http://www.inspirisys.com) under investors section.

#### 12. VIGIL MECHANISM

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and Employees in confirmation with Section 177(9) of the Act and Regulation 22 of SEBI (LODR) Regulations 2015, to report concerns about unethical behaviour. The details of the policy have been disclosed in the Corporate Governance Report, which is a part of this report.

#### 13. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The wholly owned subsidiaries of the Company continue to be engaged in the business of providing IT / ITES services, business solutions and consulting 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 only active subsidiary is the entity registered in the State of California Inspirisys Solutions North America.

The company started the process of Voluntary Liquidation / Winding Up of the Wholly Owned Subsidiary "Inspirisys Solutions DMCC, Dubai" during the financial year ended 31<sup>st</sup> March, 2024.

The company also has the following wholly owned subsidiaries which had suspended its operations:

1. Network Programs (USA) Inc., USA (Suspended its operations from March 2020)
2. Inspirisys Solutions Japan KK, Japan (Suspended its operations from March 2020)
3. Inspirisys Solutions IT Resources Limited, India (Suspended its operations from March 2019)
4. Inspirisys Solutions Europe Ltd, England (Suspended its operations from April 2023)

Gross Revenue from operating subsidiaries (including Inspirisys Solutions DMCC Dubai which was partially operational till September 2023) for the year ended 31<sup>st</sup> March 2024 was ₹ 3,270 Lakhs which is a reduction of 33% compared to the gross revenue of ₹ 4,905 Lakhs during the financial year ended 31<sup>st</sup>

March 2023. The Net losses of the subsidiaries on consolidated basis is ₹ 1,051 Lakhs during the Financial Year 2023-24 which is lower than the losses the subsidiary companies incurred in Financial Year 2022-23 and which stood at ₹ 2,054 Lakhs. The financial position of each of the subsidiaries is provided in a separate statement AOC-1, attached to the Financial Statement pursuant to first proviso to Section 129(3) of the Act.

#### 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. Murali Gopalakrishnan, no directors were in receipt of remuneration. For this purpose, sitting fees paid to the Directors for Board and Committee Meetings have not been considered as Remuneration.

Name of the Director	Ratio to median remuneration	Remuneration Paid (₹ In Lakhs)
Mr. Murali Gopalakrishnan	31.45	102.00

- (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. Murali Gopalakrishnan, Executive Director & Chief Executive Officer	0%
Mr. S. Sundaramurthy, Company Secretary	5.7%
Mr. Balaji Ramanujam, Chief Financial Officer	5.7%

- (c) The percentage increase in the median remuneration of employees in the financial year was 8.1%.

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

There were 1,621 permanent employees in India on the rolls of Company as at 31<sup>st</sup> March, 2024.

- (e) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage 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 2023-2024 was 8.3%. Percentage increase in the managerial remuneration for the year was 0 percent.

- (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. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has followed the applicable Secretarial Standards, with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

#### 16. SIGNIFICANT OF MATERIAL ORDER PASSED BY THE REGULATORS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the company and its future operations.

#### 17. MATERIAL EVENTS DURING THE FINANCIAL YEAR

##### • PAYMENT OF THE PENALTY AMOUNT PURSUANT TO SEBI FINAL ORDER DATED 20<sup>TH</sup> SEPTEMBER 2023.

The Company had received Show Cause Notice from SEBI dated September 24, 2021 and a hearing in the matter was held before the Quasi-Judicial Authority at the SEBI office in Mumbai on November 11, 2022. The Company has received a final order no. QJA/GG/CFID/CFID-SEC4/29359/2023-24 dated September 20, 2023 from SEBI and a penalty amount of ₹ 10,00,000/- (Rupees Ten Lakh only) has been imposed on the Company under Section 15HB of Securities and Exchange Board of India Act, 1992 and 23E of Securities Contracts (Regulation) Act, 1956 ("SCRA") and accordingly, the Company has paid the penalty amount to SEBI on October 20, 2023.

##### • VOLUNTARY DELISTING OF EQUITY SHARES OF THE COMPANY.

Your Company vide letter dated November 10, 2023 has informed the stock exchanges about the Initial Public Announcement dated November 10, 2023 received by the Company from the promoter of the Company ("Promoter Group") namely, CAC Holdings Corporation, Japan wherein expressed its intention to, acquire all fully paid-up equity shares of the Company ("Equity Shares") that are held by the public shareholders of the Company (as defined under the Delisting Regulations, to be referred to as "Public Shareholders") and consequently voluntarily delist the Equity Shares from BSE Limited and National Stock Exchange of India Limited, the recognised stock exchanges where the Equity Shares are presently listed ("Stock Exchanges"), in accordance with the Delisting Regulations ("Delisting Proposal")

Further, the Board of Directors of the Company in their meeting held on November 16, 2023 have considered and granted their approval for the said Delisting Proposal and recommended to the approval of shareholders' for the said proposal.

The Resolution was passed by the shareholders of the Company by way of postal ballot on December 29, 2023, the results of which were declared on December 30, 2023 along with scrutinizer's report. The Company received the In-principle approvals from BSE vide letter bearing reference number LO\Delisting\PG\IP\535\2023-24 dated March 28, 2024 and NSE vide letter bearing reference number NSE/LIST/DELIST/APPL/2023 -2024/21 dated March 28, 2024.

Further, the Board of Directors of the Company have constituted a Committee of Independent Directors with Mr. Rajesh R Muni as Chairman of the Committee and Mrs. Ruchi Naithani and Mr. M S Jagan as members of the Committee to provide with the reasoned recommendations on the offer of Voluntary delisting of equity shares of the company. The Independent Directors Committee Meeting was conducted on 03rd April, 2024 and the company has published the recommendations provided by the Committee in the same newspapers in which DPA was published on 04<sup>th</sup> April 2024 and intimated the same to stock exchanges and manager to the offer.

After the In-Principle approval granted by the Stock Exchanges, the acquirer has dispatched the Letter of Offer to the public shareholders and the bidding period for the open offer commenced from 12<sup>th</sup> April 2024 and concluded on 19<sup>th</sup> April 2024. Further the outcome of the Reverse Book Building Process with the Discovered Price of ₹ 241/- was intimated to the Stock Exchanges on 19<sup>th</sup> April 2024. The Acquirer vide their communication dated April 22, 2024 has confirmed that the Discovered Price is not acceptable to them. Thus, the Delisting Offer is deemed to have failed in terms of Regulation 23(1)(b) of the SEBI Delisting Regulations and accordingly informed the same to Stock Exchanges under Regulation 30 of SEBI (LODR) Regulations, 2015.

The complete details can be accessed at [www.inspirisys.com](http://www.inspirisys.com).

#### 18. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON EXECUTIVE DIRECTORS

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

**For and on behalf of the Board of Directors**

Place: Chennai  
Date: 10<sup>th</sup> May, 2024

**Murali Gopalakrishnan**  
Executive Director & Chief Executive Officer  
DIN: 08066529

**Rajesh R. Muni**  
Independent Director  
DIN: 00193527

## ANNEXURE - II

### MANAGEMENT DISCUSSION AND ANALYSIS

#### A. INDUSTRY STRUCTURE AND DEVELOPMENT

##### Global Economic overview

The global economy continued to struggle amidst multifaceted challenges presented by the aftermath of the pandemic, geopolitical instability, conflicts akin to war, economic downturns, recessionary pressures, and the rising cost of living in 2023. Reflecting on these adversities, the resilience demonstrated is noteworthy. Despite facing disruptions in energy and food markets due to conflict, along with unprecedented measures taken globally to combat soaring inflation rates, the global economy has managed to navigate through these obstacles without grinding to a halt. Nonetheless, the pace of growth remains lethargic and uneven, underscoring the widening disparities across different regions.

According to the IMF's World Economic Update 2024, global growth is anticipated to plateau at 3.1% in 2024 before a slight uptick to 3.2% in 2025, below the historical average. Advanced economies may see a dip in growth in 2024 before a rebound in 2025, with variations across regions. Conversely, emerging markets are projected to sustain stable growth, albeit with regional disparities. Inflation is expected to moderate globally, with figures forecasted to decline from 6.8% in 2023 to 5.8% in 2024 and 4.4% in 2025. Advanced economies are poised for faster disinflation compared to emerging markets. Monetary policy tightening is deemed necessary in many nations to alleviate inflationary pressures, though it might entail potential short-term impacts on growth and financial stability.

Geopolitical factors and supply chain disruptions are reshaping global trade patterns. Projected trade growth rates for 2024 and 2025 fall below historical averages, with implications for economic growth and geopolitical dynamics. However, a modest rebound in export activity is anticipated alongside improved world trade growth in 2024.

The conflict in Gaza and Israel has added further strain, particularly in the Middle East and North Africa, historically significant regions for global energy production. North America and the European Union may face economic ramifications, including trade disruptions and market volatility if the conflict escalates or remains unresolved. Achieving pre-pandemic levels of economic activity appears increasingly distant, particularly for emerging markets and developing economies.

The United States is expected to experience a significant deceleration in growth ahead, although a full-blown recession is not on the horizon. The resilience of US growth can be attributed to renewed fiscal stimulus, consumers' continued willingness to tap into accumulated savings, and strong private-sector financial health. Thus far, the impact of monetary tightening, particularly through increased debt-service costs, has been relatively constrained. However, growth is projected to sharply decline next year due to decelerating household income and profits, weakened credit and investment dynamics, and a rise in real interest rates. The European economy

has struggled to gain traction this year, with mild technical recessions unfolding in both the eurozone and the UK. While the shock to terms of trade has alleviated, eurozone exports are now facing headwinds from declining global trade, compounded by tightening credit conditions that are hindering investment, particularly as bank lending to businesses recedes.

Amidst prevailing economic uncertainties, the IT sector emerges as a beacon of growth and resilience. Projected spending in the IT sector is expected to soar to \$5 trillion in 2024, driven by investments in efficiency and optimization projects. IT services are anticipated to dominate spending, growing by 8.7% as enterprises invest in efficiency and optimization amidst economic uncertainty.

To navigate shifting economic landscapes, companies must embrace agility and flexibility, adjusting strategies promptly in response to market dynamics. Diversification across products, services, and markets provides stability amidst industry-specific downturns. Efficient cost management, coupled with innovative adaptation, ensures competitiveness and sustainability. Prioritizing customer relationships sustains revenue streams, while robust financial planning and risk management mitigate uncertainties. Continuous monitoring of economic indicators enables proactive adjustments, reinforcing adaptability as a cornerstone of success in turbulent times. Amidst challenges, the IT sector remains a key driver of growth and resilience, underscoring the pivotal role of technology in navigating uncertain economic terrains.

##### Indian Economy

India has emerged as a leading major economy globally, propelled by its robust democratic framework and strong international alliances. With aspirations to rank among the top three economic powers within the next decade or so, India's economic trajectory is a focal point of global attention. The World Bank revised India's growth forecast upward, citing the nation's resilient domestic demand. Forecasts indicate that India is on track to achieve a growth rate of 7% or higher for the fiscal year 2024, with similar expectations for FY 25.

Key economic indicators in India exhibit promising trends, as noted by the World Bank. Economic growth surpassed expectations in the fourth quarter of 2023, registering an impressive 8.4% expansion compared to the previous year. This growth has been fuelled by significant increases in investment and government expenditure, contributing to sustained strong performance. The services Purchasing Managers' Index (PMI) reached a three-month high of 59 in December, buoyed by robust new business and employment opportunities. The services sector, constituting over 50% of India's GDP, continues to be a significant driver of economic activity.

The government's economic policy focus has been on India's growth potential by revitalizing the financial sector, improving conditions for business, and bolstering physical and digital infrastructure to enhance connectivity. A notable reform includes the shift in government-private sector engagement towards a partnership model, with the private sector assuming a co-pioneering role in

development. The introduction of a New Public Sector Enterprise (PSE) Policy under the Aatmanirbhar Bharat initiative aims to streamline government presence in PSEs to strategic sectors, fostering private sector participation. Numerous initiatives under Aatmanirbhar Bharat and Make in India programs seek to boost India's manufacturing capabilities and export prowess across sectors.

Looking ahead, improving fundamentals are expected to reinforce GDP growth, with projections ranging between 6.9% and 7.2% for FY 2023 to 2024, followed by growth between 6.4% and 6.7% in the subsequent fiscal year. Government initiatives aimed at infrastructure development and logistics enhancement are anticipated to stimulate private investment and reduce business costs. However, risks such as inflation and global uncertainties persist, necessitating prudent policy measures. India's economic landscape presents a blend of opportunities and challenges, underscored by its resilience and potential for sustained growth. Leveraging strengths in manufacturing, digital innovation, and global competitiveness, India aims to navigate uncertainties and emerge as a beacon of economic stability and prosperity globally

#### **IT Industry Outlook & Overview**

As the IT industry prepares for the dynamic landscape of 2024 amidst global economic shifts and geopolitical tensions, reflections on 2023 reveal a year marked by economic slowdowns and cautious measures to address escalating inflation. Factors such as the spectre of recession, ongoing conflicts, and supply chain disruptions cast a pall over the global economy. However, there's a glimmer of hope as global inflationary pressures ease, fostering stable consumer confidence and neutral sentiments worldwide. The stage is now set for a potential global economic resurgence, sustained by relaxed monetary policies, controlled inflation, and resilient financial systems.

In this climate of mixed sentiments and economic currents, the IT industry stands ready for a comeback in 2024. Projections from reputable research firms like Gartner paint a promising picture, forecasting worldwide IT spending to hit \$5.1 trillion, an 8% increase from the previous year. Notably, both the software and IT services sectors are poised for double-digit growth, primarily propelled by investments in cloud technology. Public cloud service spending is expected to surge by 20.4% in 2024 and beyond, driven by a combination of price hikes by cloud vendors and increased utilization. Despite challenges posed by inflation in the devices market in recent years, devices spending is projected to rebound modestly in 2024, growing by 4.8%. Moreover, cyber security spending continues to fuel growth in the software segment, with 80% of CIOs and Technology Executives planning to increase investments in cyber/information security in 2024 and beyond, as reported by Gartner.

Breaking down spending into five major market areas, data center systems spending is projected to grow to \$260 billion in 2024, while the devices market is forecasted to reach \$722 billion. Software spending is expected to see a significant increase from \$916 billion in 2023 to \$1.04

trillion in 2024, with communications services and IT services markets also showing modest growth, reaching approximately \$1.5 trillion and \$1.55 trillion, respectively. Looking forward, the focus for Chief Information Officers (CIOs) in 2024 will centre on expanding data platforms and infrastructure to meet the growing demand for GenAI and AI solutions. Prioritizing data integration, quality, and architecture will be paramount, aligning with the overarching goal of leveraging insights and fostering innovation. These priorities are reflected in the top 15 objectives for CIOs in 2024 and beyond, which will also shape IT spending decisions.

- Increasing operational efficiency
- Increasing cybersecurity protections
- Transforming existing business processes
- Improving customer experience
- Improving profitability
- Increasing employee productivity
- New product development
- Increasing top line revenue and improving TCO
- Developing new digital revenue streams
- Improving/optimizing employee experience
- Enhancing hybrid work technologies
- Improving talent acquisition/retention
- Meeting compliance requirements
- Monetizing company data
- Adhering to environmental, social, and governance (ESG) standards

In addition, as highlighted in NASSCOM's Indian Technology and Industry overview, despite heightened global geopolitical tensions impacting investment climates, the Indian technology sector is poised for substantial growth in FY 2024. Projections indicate industry revenues, including hardware, are set to soar to \$254 billion, marking a robust year-on-year growth of 3.8%. Export revenues are projected to surpass \$200 billion, with a year-on-year growth of 3.3%, while the domestic technology segment is expected to exceed \$54 billion, showing solid year-on-year growth of 5.9%.

The International Data Corporation (IDC) forecasts that worldwide spending on digital transformation (DX) will nearly reach \$3.9 trillion by 2027, reflecting a compound annual growth rate (CAGR) of 16.1% from 2023 to 2027. This underscores the global priority of digital transformation as organizations transition into digital businesses, leveraging technology across various processes, products, services, and experiences.

In conclusion, as the IT industry navigates opportunities and challenges, a balanced approach to technology investment and execution is vital. Embracing new technologies while mitigating risks and ensuring alignment with strategic objectives will be crucial. Strategic investments in IT will play a pivotal role in maintaining competitiveness and fostering growth amidst dynamic economic conditions.

#### **B. OPPORTUNITIES & THREATS**

Inspirisys Solutions Limited is strategically positioned with a diverse array of offerings rooted in its solution capabilities including Infrastructure, Cloud, Enterprise Security,

Banking, and Product Engineering & Development. By harnessing its deep understanding of customers' businesses, the company crafts bespoke solutions aimed at delivering unique business outcomes, primarily targeting key Industry verticals such as BFSI, Telecom, Government/PSU, Manufacturing, and Healthcare.

In the ever-shifting landscape of technology, new entrants in emerging tech fields are raising the bar for agility, flexibility, and innovation, intensifying competition in the technology services market. Artificial Intelligence and Machine Learning are gaining prominence, with organizations looking for a wide spread adoption of these technologies. Our primary competitors are major global technology service providers and companies that have well established their technology and IT infrastructure capabilities. Nevertheless, Inspirisys remains committed to its transformation journey, aiding organizations in embracing cutting-edge technologies that align with their goals of achieving more with less-offering superior value and enhancing their technological endeavours.

Our customers seek not only to navigate their digital future but also to streamline efficiencies across their technology infrastructure, applications, and core operations, striving for cost leadership in their respective domains.

Through strategic partnerships, we have developed an exclusive service portfolio and framework bolstered by resilient governance structures. This approach enables us to expedite our customers' progress towards their objectives, providing them with technological solutions and services. At Inspirisys, our guiding principle is modernization, as we design modular offerings specifically tailored to tackle real-world challenges and fulfil our customers' needs. This improves efficiency, enhances productivity, and drives the evolution of our customers' operations. Furthermore, by integrating Inspirisys's quality of service and digital transformation capabilities into our value proposition, we further set ourselves apart in the market.

### **IT Infrastructure, Cloud and Security**

In the realm of Managed IT Infrastructure Services, the market is poised for substantial growth, projected to surge from USD 117.57 billion in 2024 to an estimated USD 183.57 billion by 2029, exhibiting a robust CAGR of 9.32%. This surge is propelled by a growing trend among companies to adopt managed infrastructure services as a means to streamline IT operations and curtail costs, particularly in the realm of data security and expenditure reduction.

Key drivers of this growth include technological advancements like cloud-based solutions and big data, offering scalable options for modernizing IT infrastructure. Additionally, addressing security concerns and upgrading outdated hardware play pivotal roles in shaping IT budget allocations, with organizations increasingly embracing managed infrastructure services to navigate the demands of the digital age with agility and innovation.

Indian enterprises, while exercising caution in IT services investments due to macroeconomic headwinds, are expected to ramp up investments in cloud, cybersecurity, and emerging technologies like Generative AI and 5G in the coming years. This aligns with a growing preference

among enterprises worldwide to transfer workloads to data centers and public clouds managed by service providers, resulting in sustained growth in hosted application management and infrastructure services.

Our IT Infrastructure division, encompassing system integration, infrastructure managed services, cloud, and security, adopts a holistic approach to revitalize core systems, enabling customers to embrace technological advancements and reimagine their IT infrastructure. With a comprehensive suite of solutions spanning data centers, network management, digital workplace, and enterprise security, we collaborate closely with customers to deliver superior IT services, optimize investment efficiency, and drive business innovation. Through our end-to-end Infra services, customers benefit from our profound expertise, skilled workforce, and advanced tools essential for crafting, operating, and overseeing next-generation IT architecture

### **Banking Solutions**

In the dynamic landscape of 2024, the banking sector stands on the brink of an unprecedented digital revolution. The global core banking solutions market, valued at approximately USD 16.69 billion in 2023, is projected to undergo substantial expansion, surging to nearly USD 56.74 billion by 2032, with a forecasted CAGR of 14.56% from 2024 to 2032. This surge is primarily propelled by the increasing digitization of banking services and the adoption of advanced technologies aimed at streamlining operations.

Core banking solutions play a pivotal role in curtailing operational costs, providing real-time transaction information, and facilitating enhanced customer account management across multiple branches. The burgeoning demand for these solutions is fuelled by the escalating adoption of core banking technologies, aiming to augment customer experience through remote access to a myriad of banking services. The integration of advanced software services such as AI, Big Data, and IoT, coupled with the widespread utilization of smartphones and e-commerce platforms, further catalyses the demand for digital banking services, thereby propelling the market growth of core banking solutions.

Key focal points in the technological sphere for 2024 and beyond encompass various critical areas, including:

1. Enhancing fraud detection capabilities by identifying and flagging suspicious activities, and generating comprehensive reports post-session.
2. Leveraging data visualization and analytics to derive actionable insights from extensive datasets, facilitating informed decision-making.
3. Streamlining database querying processes to enable seamless data entry and retrieval from bank systems without time lags.
4. Personalizing customer engagement and retention.
5. Optimizing loan processing procedures through meticulous analysis of customer data, financial eligibility, and credit scores.

The Indian Fintech industry is poised to soar to US\$ 150 billion by 2025, solidifying India's position as the 3rd largest FinTech ecosystem globally. Notably, the digital



lending market in India has witnessed an impressive CAGR of 39.5% over the past decade, with projections indicating that the Indian digital consumer lending market is set to exceed US\$ 720 billion by 2030, constituting nearly 55% of the total US\$ 1.3 trillion digital lending market opportunity in the country.

Aligned with the dynamic evolution of banking technology and the escalating demand for digital innovations, our Banking Practice is structured around fundamental pillars including services around Core Banking Solution (Finacle), Government Business Module (GBM), and Government Business Suite (GBS). Through our suite of proprietary IP-based Banking Solutions, we deliver secure and feature-rich transaction capabilities tailored to meet the distinctive needs of the banking sector, thus fortifying our commitment to driving innovation and transformation in the industry. We have created a Strategic Initiatives pillar, solely to recognize emerging opportunities and offer comprehensive support to banks as they commence their digital transformation endeavours.

### **Product Engineering and Development**

The global product engineering services market has experienced remarkable expansion, surging to US\$ 1.2 billion in 2023, with forecasts projecting a further ascent to US\$ 1.8 billion by 2032, demonstrating a robust CAGR of 4.9% during the period from 2024 to 2032. Concurrently, the global business software and services market is on a trajectory of growth, propelled by advancements in Artificial Intelligence and Machine Learning, digital transformation initiatives, automation, and escalating competition. Businesses are harnessing these technologies to drive cost efficiencies, enhance operational effectiveness, bolster security measures, and leverage data analytics capabilities, signalling a promising outlook for the future. Notably, 61% of businesses are planning to escalate their technology investments in 2024, with 92% considering AI-powered software solutions. Economists at Deloitte have projected that global investments in AI could soar to \$200 billion by 2025, with the United States leading the charge.

Amidst the backdrop of global geopolitical tensions, resulting in a more cautious investment climate and deferred decision-making, India's technology industry revenue (inclusive of hardware) is anticipated to surge to \$254 billion in FY 2024, marking a 3.8% year-on-year growth, representing an addition of over \$9 billion compared to the previous year. Export revenues are poised to breach the \$200 billion milestone, registering a 3.3% year-on-year growth, while the domestic technology sector is expected to surpass \$54 billion, marking a robust 5.9% year-on-year growth. The Indian IT sector, which experienced a contraction in hiring amidst a global economic slowdown and funding constraints, is poised for a positive turnaround, with projections indicating an 8-10% increase in hiring in 2024 and beyond.

India stands as the premier offshoring destination for IT companies worldwide, showcasing its prowess in delivering both onshore and offshore services to global clientele. The IT industry contributed 7.4% to India's GDP in FY 22, with expectations to elevate its contribution to

10% by 2025, and is poised to surpass the US\$ 350 billion mark by 2026.

Amidst this transformative wave, Inspirisys's Product Engineering Division (PeD) emerges as an entity, offering bespoke services tailored to the current technology landscape and emerging trends. From Cloud Services and Data Science to DevOps, RPA, Artificial Intelligence, Machine Learning, Analytics, Testing & Test Automation, and Consulting, we empower businesses worldwide to thrive in the digital era by providing comprehensive solutions and expertise

### **C. HUMAN RESOURCE MANAGEMENT**

In recent years, the realm of human resource management has undergone a transformative journey. As the global business landscape has evolved, so too have the strategies and methodologies for talent management and organizational development. In 2023, business leaders and organizations confronted significant shifts impacting the workplace, including inflationary pressures affecting both employer and employee budgets, the emergence of generative AI (GenAI), geopolitical instability, notable labour strikes, heightened debates over return-to-office (RTO) mandates, and evolving legal and societal landscapes surrounding DEI initiatives, among other factors. Leaders who proactively devise explicit business and talent strategies to navigate these trends will confer a competitive edge upon their organizations in terms of talent outcomes and the achievement of strategic goals.

The practice of cross-training employees across various domains carries substantial long-term advantages, as employees with proficiency across multiple domains are better positioned to adapt as roles evolve with emerging technologies and business paradigms. This approach is particularly appealing for organizations facing the prospect of losing decades of institutional knowledge and specialized expertise.

The focal point for the current year and the subsequent five years will be on elevating employee experiences, nurturing diverse talent pools, and fostering a culture of continual learning and development. By prioritizing initiatives aimed at empowerment and engagement, an environment can be cultivated where each individual can thrive and contribute to the collective success of the organization.

Prioritizing safety and security necessitates the implementation of robust measures to establish a secure working environment. Creating a safe workplace entail adopting policies on the Prevention of Sexual Harassment at the Workplace (POSH) in compliance with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. These policies are gender-neutral and entail the formation of an Internal Complaints Committee (ICC) to address complaints related to sexual harassment. Such measures underscore the organization's dedication to providing a safe and inclusive workplace for all employees.

In conclusion, as organizations navigate the complexities of the modern business landscape, it becomes increasingly clear that success hinges on their ability to adapt, innovate, and prioritize the well-being and inclusion of their workforce. By proactively addressing challenges such as evolving technological landscapes,

shifting societal norms, and the imperative for diversity and equity, leaders can position their organizations for long-term resilience and competitiveness.

**D. FOCUS AREAS OF THE COMPANY**

The key areas of the Inspirisys is to focus on high value and high Margin services business in India.

More focus to increase the share of the offshore and onsite business is essential to be invested in. Continue to work with customer to identify products in the new areas of compliance, Statutory changes, Risk areas for target private and PSU sector.

With CMMI Level 5 certification, ISL aims to keep up with continuous improvement on the delivery process and Framework to improve the delivery quality. A strong governance and monitoring is put in place to ensure to achieve. Stringent awareness to teams is being ensured to achieve delivery excellence.

It's imperative that Inspirisys as a Technology company providing various services to its customers continuously should be abreast of various technology trends to propose right solutions to the customers achieve apt solutions for their business problems. Inspirisys continues to invest in Artificial Intelligence, Machine Learning as it is the technology of future. With the varied offerings and capabilities being built in the new technologies, the company is geared to offer a wide spectrum of services that are in demand both in domestic and overseas markets. The ability to stitch together complex, integrated solutions that address the needs of all stakeholders in the enterprise, along with the high levels of trust engendered in customer relationships, helps us to win transformation deals.

Cloud Technologies, Data Engineering, Analytics continue to be the areas customers expect to capitalise. Also, the shift towards these recent technologies like Cloud, Automation, Artificial Intelligence etc. and our investments on these will prove right opportunities.

BFSI, Manufacturing, Telecom and Healthcare Domain specific solutions and GTMs will provide end to end solutions extend better foot print with existing as well as prospective clients.

**E. BUSINESS ANALYSIS BY DIVISION**

Inspirisys is a system integrator that can provide technology solutions for customer problems. As a part of customer Digital Transformation journey, the gamut of Technology services includes the following :

- Digital Transformation journey consultancy and road map

- AI/ML Maturity Road Map consultation
- Application Modernization, Development, Re-engineering
- Cloud Enablement, Native Application Development
- Data Engineering and Migration
- Mobile Application development
- Managed Services and Tools & Automation.

The Product Engineering & Development Practice continues to focus on Cloud Based Application Solutions, Application development, Technology refresh, Robotic Process Automation, DevOps, Analytics, Artificial Intelligence, Machine Learning. Besides, our Microsoft Dynamics offering is promising with the growing demand in the Middle East market.

ISL's exclusive IP & USP Solution viz. GBS (Govt. Business Suite) and GBM. It is leading, feature rich and comprehensive solution for remittances and payment of government Payments and Receivables. This GBS is enhanced version of GBM. GBS is highly scalable, secure version of GBM built using newwe architecture and technologies. ISL is also trusted implementation partner Edgeverve. We continue our relationship as an implementation partner for Finacle providing Implementation, Migration, Support & Customization as an offering and have been instrumental in multiple migrations. ISL is well geared with most recent versions (11.x) of Finacle and also build team on Digital Layers of Finacle.

ISL is certified for CMMI Level 5 Certification to gear up ISL for Global delivery Practices. Gearing ISL for global business when the overseas markets return better from the current recession due to conflicts across countries.

**F. 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.

**G. 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:

*This space is intentionally left blank*

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	₹ in Lakhs	%	₹ in Lakhs	%
<b>Revenue</b>				
Revenue from operations	49,049	99%	37,167	99%
Other income	373	1%	487	1%
<b>Total revenue</b>	<b>49,422</b>	<b>100%</b>	<b>37,654</b>	<b>100%</b>
<b>Expenses</b>				
Material / Service Costs	19,456	42%	10,953	30%
Employee Benefit expense	12,264	27%	11,371	33%
Other expenses, including impairment losses	14,143	31%	11,949	37%
<b>Total expenses</b>	<b>45,863</b>	<b>100%</b>	<b>34,273</b>	<b>100%</b>
<b>EBITDA</b>	<b>3,559</b>	<b>7%</b>	<b>3,381</b>	<b>9%</b>
Finance costs	1,058	2%	778	2%
Depreciation and amortization expense	458	1%	557	1%
<b>Profit / (loss) before tax and exceptional items</b>	<b>2,043</b>	<b>4%</b>	<b>2,046</b>	<b>6%</b>
<b>Profit / (loss) before tax</b>	<b>2,043</b>	<b>4%</b>	<b>2,046</b>	<b>6%</b>
<b>Tax expense</b>	<b>497</b>	<b>1%</b>	<b>411</b>	<b>1%</b>
Profit / (loss) for the year	1,546	3%	1,635	-
Profit from discontinued operations (net of tax)	(1,179)	1%	(1,889)	-
Profit for the year	367	1%	(254)	-1%
<b>Other comprehensive income for the year, net of tax</b>	<b>107</b>	<b>-</b>	<b>(662)</b>	<b>-2%</b>
<b>Total comprehensive income for the year</b>	<b>474</b>	<b>1%</b>	<b>(916)</b>	<b>-2%</b>
<b>Total comprehensive income after Minority Interest</b>	<b>474</b>	<b>1%</b>	<b>(916)</b>	<b>-2%</b>

#### H. REVENUE ANALYSIS

₹ in lakhs

BUSINESS MIX	FY 2024	%	FY 2023	%
SI - System Integration	21,337	42.9%	12,117	31.0%
Services	27,162	54.7%	25,644	65.8%
WMS - Warranty Management Services	1,186	2.4%	1,247	3.2%
<b>TOTAL</b>	<b>49,685</b>	<b>100%</b>	<b>39,035</b>	<b>100%</b>

#### 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 financial year 2018-19. This asset will be tested for impairment at the end of every financial year.

##### Adoption of Ind AS 116:

The lease liability is measured at the present value of the lease payments to be made over the lease term. Lessees accrete the lease liability to reflect interest and reduce liability to reflect lease payments made. The right of use asset is initially measured at the amount of the lease liability, adjusted for lease pre-payments, lease incentives received, lessee's initial direct cost and an estimate of

restoration, removal and dismantling costs. The related right of use asset is depreciated in accordance with the depreciation requirements of Ind AS 116.

#### J. FINANCING COSTS

The Company had obtained working capital loans from Japanese banks at a much lower cost on account of guarantees from CAC Holdings Corporation, Japan, the holding company. The Company obtained sanction of working capital limits from an Indian bank without any Corporate Guarantee. The finance cost at consolidated level is higher than last year due to increase in interest rates on existing loans and additional loans taken by subsidiary companies.

#### 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 is given below :

₹ in lakhs

Consolidated Balance Sheet of Inspirisys Solutions Limited		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	464	450
Goodwill	542	542
Right of Use	59	204
Other Intangible assets	299	363
Intangible asset under development	81	42
Financial assets		
- Trade receivables	73	39
- Other financial assets	60	198
Income tax assets (net)	3,091	3,199
Other non-current assets	1,199	509
	<b>5,868</b>	<b>5,778</b>
<b>Current assets</b>		
Inventories	386	364
Financial assets		
- Trade receivables	9,818	8,348
- Cash and cash equivalents	4,773	3,081
- Other bank balances	1,137	122
- Other financial assets	679	697
Other current assets	3,573	2,813
Discontinued operations	59	-
	<b>20,425</b>	<b>15,425</b>
<b>Total assets</b>	<b>26,293</b>	<b>21,203</b>

This space is intentionally left blank

₹ in lakhs

Consolidated Balance Sheet of Inspirisys Solutions Limited		
Particulars	As at 31 March 2024	As at 31 March 2023
<b>Equity</b>		
Equity share capital	3,962	3,962
Other equity	(1,033)	(4,799)
	<b>2,929</b>	<b>(837)</b>
<b>Non - Controlling Interests</b>		
<b>Non - Current liabilities</b>		
Financial liabilities		
- Borrowings	584	553
Lease liability	15	77
Provisions	87	921
	<b>686</b>	<b>1,551</b>
<b>Current liabilities</b>		
Financial liabilities		
- Borrowings	8,135	9,715
Lease Liability	54	159
- Trade payables	6,116	4,789
- Other financial liabilities	3,368	2,837
Other current liabilities	4,685	2,703
Provisions	269	286
Discontinued operations	51	-
	<b>22,678</b>	<b>20,489</b>
<b>Total equity and liabilities</b>	<b>26,293</b>	<b>21,203</b>

This space is intentionally left blank

**Key Ratios on Standalone basis**

Description	U/ M	Year ended		Remarks
		31-Mar-24	31-Mar-23	
Debtors Turnover	Days	104	120	Decrease is due to Higher sales in the fourth quarter of Last Year resulted in increase in debtors as at March 31, 2023.
Inventory Turnover	Days	2.93	3.69	Optimization of inventory holding for services business brought down inventory days cover.
Interest Coverage Ratio	Times	4.55	4.39	Due to higher profit the company is able to fulfil its financial obligations
Debt Equity Ratio		0.4:1	0.5:1	Reduction in Working Capital borrowings resulted in Ideal Debt Equity Ratio for the company.
Operating Profit Margin	%	8%	9%	Increase in revenue of a large project in System Integration Business with Low Margin resulted in decrease in operating Profit margin in percentage terms for FY24.
Net Profit Margin	%	4%	5%	Increase in Revenue and low margin in System Integration business as explained for Operating profit margin had resulted in decrease Net Profit margin in percentage terms.
Return on Networth	%	19%	20%	The Increase in Net profit is not proportionate to increase in networth compared to Last year.

*This space is intentionally left blank*

## Key Highlights

### A. Equity and Reserves

The Equity Capital of the Company remained unchanged during the year

### B. Borrowings

The Long Term Borrowings of the Company with respect to External Commercial Borrowings came up for repayment during the financial year 2023-24. Considering the post pandemic situation and the business performance, basis the request placed with CAC Holdings Corporation, Japan the amount of USD 28,82,689 (Tranche 1) which came for repayment in Sep 2023 was extended for a period of one year. Further, the amount of USD 20,50,000 (Tranche 2) which came for repayment in Jan 2024, was also extended for a period of one year. The other long-term borrowings and working capital facilities with the Banks were lower consequent to effective collections and reduction in overall requirement of funds.

### C. Receivables Management

The company has written off/provided for bad debts of ₹ 198 Lakhs on standalone basis and ₹ 222 Lakhs on consolidated basis during the financial year 2023-24. The Receivables (after allowances for credit loss) which are classified as "Current" under the new Ind AS stands at ₹ 13,662 Lakhs as at 31<sup>st</sup> March, 2024 as compared to ₹ 11,789 Lakhs as at 31<sup>st</sup> March, 2023.

### 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.

## 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	2023 - 2024	2022 - 2023
(i)	Total Foreign Exchange earned	4,376.00	4,554.00
(ii)	Total Foreign Exchange outflow	792.00	782.00

For and on behalf of the Board of Directors

Place: Chennai  
Date: 10<sup>th</sup> May, 2024

**Murali Gopalakrishnan**  
Executive Director & Chief Executive Officer  
DIN: 08066529

**Rajesh R. Muni**  
Independent Director  
DIN: 00193527

## ANNEXURE - IV

Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013  
and Rule 9 of the Companies

(Appointment and Remuneration of Managerial  
Personnel) Rules, 2014]

To,  
The Members,  
**Inspirisys Solutions Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2024 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended March 31, 2024 according to the provisions of:

1. The Companies Act, 2013 ('Act') and the rules made thereunder as amended from time to time including Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and notified as on date;
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; - Not Applicable for the audit period.
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - Not Applicable for the audit period.
  - 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 (Depositories and Participants) Regulations, 2018;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable for the audit period.
6. All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws.

During the period under review, the Company generally has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above to the extent where such records have been examined by us.

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

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

As per the minutes the decisions at the Board Meeting were taken unanimously and there was no instance of dissent by any director during the period under review.

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

**We further report that** during the audit period, except the events listed below, no other specific events / actions occurred which had major bearing on the Company's affairs in pursuance



of the above referred laws, rules, regulations, guidelines, etc., and that the Company has complied with such of those relevant clauses thereto which are applicable.

- i. The Shareholders of the Company approved for Voluntary Delisting of Equity Shares having face value of ₹ 10/- each in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 vide special resolution passed on December 29, 2023 through postal ballot and results were declared on December 30, 2023. In this regard, the Company received In-principle approvals from BSE Limited and National Stock Exchange of India Limited on March 28, 2024. After the In-Principle approval, the acquirer has dispatched the Letter of Offer to the public shareholders and the bidding period for the open offer commenced from April 12, 2024 till April 19, 2024. Further the outcome of the Reverse Book Building Process with the Discovered Price of ₹ 241/- was intimated to the Stock Exchanges on April 19, 2024. The Acquirer through the Manager of Delisting Offer has issued a Post Offer Public Announcement dated April 22, 2024 for the failure of the Delisting Offer. Thus, the Delisting Offer is deemed to have failed in terms of Regulation 23(1)(b) of the SEBI Delisting Regulations and accordingly informed the same to Stock Exchanges under Regulation 30 of SEBI LODR Regulations 2015 dated on April 23, 2024.
- ii. The Company had received Show Cause Notice from

SEBI dated September 24, 2021 and a hearing in the matter was held before the Quasi-Judicial Authority at the SEBI office in Mumbai on November 11, 2022. The Company has received a final order no. QJA/GG/CFID/CFID-SEC4/29359/2023-24 dated September 20, 2023 from SEBI and a penalty amount of ₹ 10,00,000/- (Rupees Ten Lakh only) has been imposed on the Company under Section 15HB of Securities and Exchange Board of India Act, 1992 and 23E of Securities Contracts (Regulation) Act, 1956 ("SCRA") and accordingly, the Company has paid the penalty amount to SEBI on October 20, 2023.

**For M. Alagar & Associates**  
**Practising Company Secretaries**  
**Peer Review Certificate No:1707 / 2022**

**M.Alagar**  
**Managing Partner**  
**FCS No: 7488 / CoP No.: 8196**  
**UDIN: F007488F000343956**

**Place:** Chennai  
**Date:** May 10, 2024

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

---

**'Annexure A'**

**To,**  
**The Members**  
**INSPIRISYS SOLUTIONS LIMITED**

Our report of even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance reports issued by the respective departmental heads/ Company Secretary, taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws including labour laws.

**For M. Alagar & Associates**  
**Practising Company Secretaries**  
**Peer Review Certificate No:1707 / 2022**

**M.Alagar**  
**Managing Partner**  
**FCS No: 7488/ CoP No.: 8196**  
**UDIN: F007488F000343956**

**Place:** Chennai  
**Date:** May 10, 2024

## REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

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

Inspirisys Solutions Limited, 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](http://www.inspirisys.com) under investors section.

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

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

### 2. Composition of the CSR Committee

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

Sl. No.	Name of Directors	Designation/ Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
(i)	Mr. M S Jagan	Chairman (Independent)	3	3
(ii)	Mrs. Ruchi Naithani	Member (Independent)	3	3
(iii)	Mr. Rajesh R. Muni	Member (Independent)	3	3
(iv)	Mr. Murali Gopalakrishnan	Member (Executive & Non - Independent)	3	3

### 3. Provide the web link where Composition of the CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company.

[www.inspirisys.com](http://www.inspirisys.com)

### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

### 5. (a) Average net profit of the company as per sub-section (5) of section 135. - ₹ 1,189.22 Lakhs

(b) Two percent of average net profit of the company as per sub-section (5) of section 135. - ₹ 23.79 Lakhs

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years - Not Applicable

(d) Amount required to be set-off for the financial year, if any. - Not Applicable

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]. - ₹ 23.79 Lakhs

### 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). - ₹ 23.80 Lakhs

(b) Amount spent in Administrative Overheads. - Nil

(c) Amount spent on Impact Assessment, if applicable. - Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]. - ₹ 23.80 Lakhs

(e) CSR Amount spent or unspent for the financial year:

Total amount spent for the Financial year (amount in Rs.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 23.80 lakhs	Not Applicable		Not Applicable		

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
1	2	3
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 23.79 lakhs
(ii)	Total amount spent for the Financial Year	₹ 23.80 lakhs
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Years	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY-1	Not Applicable						
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes  No

If Yes, enter the number of Capital assets created / acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority / beneficiary of the registered owner		
					CSR Registration Number, if Applicable	Name	Registered Address
1	2	3	4	5	6		
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per subsection (5) of section 135 - Not Applicable

Place: Chennai  
Date: 10<sup>th</sup> May, 2024

**Murali Gopalakrishnan**  
Executive Director & Chief Executive Officer  
(DIN: 08066529)

**M S Jagan**  
Chairman CSR Committee  
(DIN: 02002827)

## 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 always committed to the adoption of and adherence to the best Corporate Governance practices. 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 requirement of the skill sets on the Board and the broad guidelines are issued by the company. 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 and 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 SEBI (LODR) Regulations, 2015 and are independent of the management.

### 1.5 Familiarization Program for Independent Directors.

The Familiarization Program for Independent Directors of the Company was done for the financial year 2023-2024 and the details have been hosted on the website of the Company [www.inspirisys.com](http://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](http://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 behavior, 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 behavior. 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](http://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, two Non - Executive Director and three Independent Directors including one Independent 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 Criteria of making payments to Non-Executive Directors

The Non-Executive Director(s) may receive Sitting fees for attending meetings of the Board or Committee thereof or any other meeting within the limits prescribed under Companies Act, 2013. An Independent Director shall not be entitled to any stock option and shall receive Sitting fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and may receive profit related remuneration up to a specified percentage of net profits in such proportion, as may be permissible under the Companies Act, 2013 and any other applicable law at the discretion of the Board. Section 197 of the Companies Act, 2013 allows a Company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other. Further, the section also states that where the Company has either Managing Director or Whole-time Director or Manager, then a maximum of 1% of its net profits can be paid as remuneration to its NEDs. In case there is no managing director or whole-time director or manager, then a maximum of 3% of net profit can be paid. Thus, the basis of payment to the NEDs is the net profit of the Company.

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. Koji Iketani as the Chairman, Non-Executive & Non-Independent Director, Mr. Murali Gopalakrishnan as the Executive Director and Chief Executive Officer, Mr. Toru Horiuchi as the Non-Executive & Non-Independent Director and Mrs. Ruchi Naithani, Mr. Rajesh R. Muni and Mr. M S Jagan as the Independent & Non - Executive Directors.

Six (6) meetings of the Board of Directors were held on 10<sup>th</sup> May 2023, 08<sup>th</sup> August, 2023, 28<sup>th</sup> September, 2023, 07<sup>th</sup> November, 2023, 16<sup>th</sup> November, 2023 and 08<sup>th</sup> February, 2024.

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 31<sup>st</sup> March, 2024 have been made by the Directors as per Regulation 26 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 30<sup>th</sup> June, 2023 with particulars of their Directorships, Chairmanship and Membership of Board Committees of the companies showing the position as of 31<sup>st</sup> March, 2024 are given below:

Names of the Director	Category as at 31.03.2024	No. of Board Meetings attended out of 6 meetings held during the year 2023-2024	Attendance at the last AGM held on 30.06.2023	No. of Directorship held in Indian Public Limited Companies [excluding Inspirisys Solutions Limited]	Committees position as on 31.03.2024 [All Companies excluding Inspirisys Solutions Limited]		Directorship in other listed entity (Category of Directorship)
					Member	Chairman	
Mr. Koji Iketani	Chairman & Non-Executive Non Independent	6	Yes	Nil	Nil	Nil	Nil
Mr. Murali Gopalakrishnan	Executive Director & Chief Executive Officer	6	Yes	Nil	Nil	Nil	Nil
Mrs. Ruchi Naithani	Non-Executive Independent	6	Yes	Nil	Nil	Nil	Nil
Mr. Rajesh R. Muni	Non-Executive Independent	6	Yes	1	1	1	I G Petrochemicals Limited (Non - Executive, Independent)
Mr. M S Jagan	Non-Executive Independent	6	Yes	Nil	Nil	Nil	Nil
Mr. Toru Horiuchi	Non-Executive Non Independent	6	Yes	Nil	Nil	Nil	Nil

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

All public limited companies, whether listed or not, are included and all other companies including private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Companies Act, 2013 are excluded. 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 and SEBI (LODR) Regulations, 2015 from Independent Directors. All requisite declarations have been placed before the Board.

None of the Directors/Key Managerial Personnel of the Company are related to each other.

#### 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 viewpoints 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.

The following matrix sets out the skills, expertise and competence of each of the Directors in the Company:

Sl. No	Name of the Directors	Skills, Expertise and Competence
1	Mr. Koji Iketani	Mr. Koji Iketani has a vast knowledge base and experience in Software engineering, Project management, IT consulting, Venture investment and Merger & Acquisitions spanning over more than three decades. Post his graduation, he joined CAC Corporation. He moved on to assume various responsibilities at Japan Oracle Corporation, till 1998 and continued his career with Future System Consulting Corporation, till 2007. Thereafter, he held a leadership role and spearheaded several initiatives at Microsoft Japan Corporation, before joining CAC Corporation in 2012.
2	Mr. Murali Gopalakrishnan	Mr. Murali Gopalakrishnan has held several leadership positions in his professional career and has a strong General Management qualification including strategic planning, new business start-up, P&L responsibility, cost containment, working capital management & funding, accounts finalization and corporate governance. He possesses over more than 3 decades of rich experience in finance, accounts, operations and commercial spanning audit, consulting, manufacturing, IT and retail sectors.
3	Mrs. Ruchi Naithani	Mrs. Ruchi Naithani has hands-on experience in the IT industry for more than 12 years and has managed a team of IT professionals and has handled projects for various Japanese clients. She has a native level knowledge of the Japanese language and is at ease dealing with Japanese clients and Indian counterparts. With over 2 decades of experience, she has in depth knowledge of business structure, work culture of the IT companies in India and Japan. Mrs. Ruchi Naithani has actively consulted various companies in dealing with Joint Venture Japanese companies (both Japanese and India side of the Joint Ventures). She has been the trusted interpreter in Japanese-English and English-Hindi for the highest levels of authority in the Government of India and Government of Japan. She is a post graduate in Linguistics from Kumamoto University, Japan and also holds a certification for Japanese language proficiency (Level 1 of Japanese language proficiency and Level J1+ Jetro Business Japanese Proficiency test.) She has actively worked in TV, radio and written articles for various newspaper.
4	Mr. Rajesh R. Muni	Mr. Rajesh R. Muni completed his B. Com. (Hons.) in the year 1973 and pursued the course of Chartered Accountancy in India and is a Fellow Member of The Institute of Chartered Accountants of India. He has undertaken Business Management Consultancy Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. He has been in practice since 1978 and is the Proprietor of the firm R.R. Muni & Co. Chartered Accountants, Mumbai. The firm provides professional services for conduct of audits, (statutory and internal), advises on accounting matters, management related subjects, Company Law and secretarial work, Direct Taxes, etc. He has been a lecturer in various colleges and for students of Chartered Accountancy on subjects of Accounts, Income Tax and Audit etc. He has been faculty at seminars of professional interests at different forums. He was the President of Bombay Chartered Accountants' Society during 2003-2004 and has served the society in various capacities since 1992-1993. He was a chairman of Human Resources Committee, Membership & Public Relations Committee and was a co-chairman of Accounting & Auditing Committee of the Society.
5	Mr. M S Jagan	Mr. M S Jagan is a BE graduate from Indian Institute of Science, Bangalore in 1978 and PGDM from IIM Ahmedabad in 1981. He commenced his management career with Tata Administrative Services. His experience of over 40 years comprises sectors of manufacturing, projects and service sectors for over 16 years in companies like Tatas, Elgi Equipments, Sterling Holidays and Sanmar. He has been in the infrastructure sector for over 25 years. He was part of the Mahindra Group, which included development of the Mahindra World City project near Chennai. He was also the CEO of Ascendas India, wholly owned by JTC Singapore then, in the business of setting up IT Parks. Later, as an Independent Consultant, he was responsible for various aspects of many projects from Master Planning, detailing for approvals including EIA and other aspects of SEZ and IT Parks. He was also associated with financial structuring, project monitoring, implementation and marketing strategies for many projects. He has been a visiting faculty in a Business School in Chennai.
6	Mr. Toru Horiuchi	Mr. Toru Horiuchi completed his Bachelor of Laws from Waseda University, Tokyo in 1991. He joined CAC Corporation, to assume various responsibilities till 2014 and continued his career with CAC Holdings Corporation at various positions. He has a vast knowledge base and experience in Finance & Accounts spanning over more than two decades.

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](http://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 31<sup>st</sup> March, 2024. The Annual Report of the Company contains a Certificate signed by the 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 behavior and ensures ethical behaviour at all times and strict compliance with laws and regulations.

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

- Report on operations of the company;
- Annual Operating Plans and budgets;
- Opportunities for organic and inorganic growth;
- Business Plans and analysis of variances periodically as compared to the plans;
- The quarterly/half yearly financial results and the annual accounts of the company, both consolidated and on standalone for consideration and approval;
- Minutes of the meetings of audit committee and other committees;
- 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 31.03.2024 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.	10 <sup>th</sup> May, 2023	6	6
2.	08 <sup>th</sup> August, 2023	6	6
3.	28 <sup>th</sup> September, 2023	6	6
4.	07 <sup>th</sup> November, 2023	6	6
5.	16 <sup>th</sup> November, 2023	6	6
6.	07 <sup>th</sup> February, 2024	6	6

## 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 Requirements) 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 30<sup>th</sup> June, 2023.

#### (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;
- Modified opinion(s) in the draft audit report;
- 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) Audit Committee's Composition, Names of Members and Chairperson, its meetings and attendance**

Mr. Rajesh R. Muni	Chairman
Mrs. Ruchi Naithani	Member
Mr. Koji Iketani	Member
Mr. M S Jagan	Member

During the year, 6 (six) Audit Committee meetings were held on 10<sup>th</sup> May, 2023, 30<sup>th</sup> June, 2023, 08<sup>th</sup> August, 2023, 28<sup>th</sup> September, 2023, 07<sup>th</sup> November, 2023, 08<sup>th</sup> February, 2024.

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	6	6
Mrs. Ruchi Naithani	Independent	6	6
Mr. Koji Iketani	Non-Executive, Non-Independent	6	6
Mr. M S Jagan	Independent	6	6

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. Rajesh R. Muni	Member
Mr. Koji Iketani	Member
Mr. M S Jagan	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) meeting of Nomination and Remuneration Committee were held on 9<sup>th</sup> May, 2023, and 07<sup>th</sup> August, 2023.

The composition of the Nomination and Remuneration Committee and the 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. Rajesh R. Muni	Independent	2	2
Mr. Koji Iketani	Non-Executive, Non-Independent	2	2
Mr. M S Jagan	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 endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Nomination and Remuneration Policy approved by the Board of Directors is posted on the website of the Company [www.inspirisys.com](http://www.inspirisys.com).

**(E) Performance evaluation of Independent Directors.**

The Board and 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 Executive Director & Chief Executive Officer.**

Mr. Murali Gopalakrishnan is the Executive Director and Chief Executive Officer of the Company. The salary, benefits and perquisites paid to Mr. Murali Gopalakrishnan was ₹ 111 Lakhs.

**(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.

Particulars	Sitting Fees per meeting
Board Meeting	₹ 75,000/-
Audit Committee Chairman	₹ 1,00,000/-
Audit Committee Members	₹ 25,000/-
Nomination and Remuneration Committee	₹ 25,000/-
Stakeholders' Relationship Committee	₹ 25,000/-
Independent Directors Committee	₹ 25,000/-
Corporate Social Responsibility Committee	₹ 25,000/-

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 31<sup>st</sup> March, 2024 are as under: (₹ In Lakhs)

Names of Director	Sitting Fee	Commission	Total
Mrs. Ruchi Naithani	8.75	Nil	8.75
Mr. Rajesh R. Muni	13.25	Nil	13.25
Mr. M S Jagan	8.75	Nil	8.75

**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. M S Jagan	Chairman
Mr. Rajesh R. Muni	Member
Mrs. Ruchi Naithani	Member
Mr. Koji Iketani	Member

The Committee is set to:

- Resolve the grievances of the shareholders of the Company.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

During the year, 4 (four) meetings of the Stakeholders Relationship Committee were held on 9<sup>th</sup> May, 2023, 07<sup>th</sup> August, 2023, 06<sup>th</sup> November, 2023 and 08<sup>th</sup> February, 2024.

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. M S Jagan	Independent	4	4
Mr. Rajesh R. Muni	Independent	4	4
Mrs. Ruchi Naithani	Independent	4	4
Mr. Koji Iketani	Non - Executive Non - Independent	4	4

**3.4 Corporate Social Responsibility Committee.**

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

Corporate Social Responsibility Committee comprises of:

Mr. M S Jagan	Chairman
Mrs. Ruchi Naithani	Member
Mr. Rajesh R. Muni	Member
Mr. Murali Gopalakrishnan	Member

The Committee is set to :

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year, 3 (Three) meeting of the Corporate Social Responsibility Committee was held on 9<sup>th</sup> May, 2023, 07<sup>th</sup> August, 2023 and 06<sup>th</sup> November, 2023.

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. M S Jagan	Independent	3	3
Mrs. Ruchi Naithani	Independent	3	3
Mr. Rajesh R. Muni	Independent	3	3
Mr. Murali Gopalakrishnan	Executive & Non-Independent	3	3

### 3.5 Annual Performance Evaluation.

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

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

### 3.6 Separate Meeting of Independent Directors.

During the year under review, the Independent Directors met on 19<sup>th</sup> March, 2024 and inter alia to:

- Review the Performance of Non-Independent Directors and the Board of Directors as a whole;
- Review the Performance of the Chairperson of the Company, taking into account the views of the Executive and Non- Executive Directors;
- Assess the quality, quantity and time lines of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform its duties.

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

### 3.7 Particulars of Senior Management of ISL:

Name of the Senior Management Personnel	Designation
Mr. Balaji Ramanujam	Chief Financial Officer
Mr. S. Sundaramurthy	Company Secretary
Mr. Jayesh Ahluwalia	President – Infra Products & Services
Mr. Maqbool Hassan	President – Dubai Operations
Mr. Srinivas Bhaskara	President – Product Engineering Division
Mr. Reni Don Rozario	President - Corporate

### 3.8 Name and Designation of the Compliance Officer.

Mr. S. Sundaramurthy, Company Secretary been designated as Compliance Officer of the Company in line with the requirement of SEBI (LODR) Regulations, 2015 and can be contacted at:

#### Inspirisys Solutions Limited

First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010, Tamil Nadu, India.  
Tel: 044 - 4225 2071.

Email: sundaramurthy.s@inspirisys.com

### 3.9 Complaints received and redressed during the year 2023-2024.

Opening Balance	Received during the year 2023-2024	Resolved during the year 2023-2024	Closing Balance
0	1	1	0

### 3.10 Suspense Account for the unclaimed shares.

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

### 3.11 Transfer of Unclaimed Dividend to Investors Education and Protection Fund (IEPF)

There is no unclaimed dividend to be transferred to IEPF.

### 3.12 Unclaimed Dividend

Year - wise list of the shareholders who have not claimed their dividend is posted at website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) as well as website of the Company [www.inspirisys.com](http://www.inspirisys.com) in line with MCA Circular.

## 4. Subsidiary Company.

- The Company has One Indian Subsidiary Company Inspirisys Solutions IT Resources Limited (ISITRL) which is Material Subsidiary of the Company, as per the SEBI (LODR) Regulations, 2015. The Company is in compliance with Regulation 24A of SEBI (LODR) Regulations, 2015.

The Company's material subsidiary undergoes Secretarial Audit. The copy of Secretarial Audit Report of ISITRL is available on the website of the Company [www.inspirisys.com](http://www.inspirisys.com). The Secretarial Audit Report of the material subsidiary does not contain any qualification, reservation, adverse remark or disclaimer.

- (ii) The Financial Statements of the Subsidiary Companies are being placed before the Board and are placed on the website of the Company at [www.inspirisys.com](http://www.inspirisys.com).

## 5. Disclosures.

### (A) Basis of related party transactions.

- (i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- (ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.
- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.
- (iv) The Board has approved a policy for related party transactions which has been uploaded on the Company's website [www.inspirisys.com](http://www.inspirisys.com).

### (B) Disclosure of Accounting Treatment.

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

### (C) Board Disclosures - Risk Management.

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

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

Since, the Company has not raised funds by way of Public Issues, right issues, preferential issues etc. during the year and hence not applicable.

### (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. The Secretarial Audit Report in the prescribed format forms part of the Annual Report.

### (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](http://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 Depository Participant, Company/RTA.
- (iii) Mr. Toru Horiuchi (DIN : 08111162) is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- (iv) Appointment of M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), for a term of 5 years in the place of retiring statutory auditors M/s. Walker Chandiok & Co, LLP.

## 6. Compliance on Corporate Governance.

The quarterly Compliance Report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format. Pursuant to Regulation 34(3) and Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate from Company Secretary in Practice in compliance on conditions of Corporate Governance forms part of the Annual Report.

## 7. Mandatory and Non-Mandatory requirements.

The Company has complied with all the applicable mandatory requirements as provided in SEBI (LODR) Regulations, 2015. The status on the compliance with discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015 is as under:

### (i) The Board

The Board has appointed Non-Executive Chairman.

### (ii) Shareholder Rights

The Company's financial results are published in the Newspaper as per the SEBI (LODR) Regulations, 2015 requirements and also posted in the Company's website [www.inspirisys.com](http://www.inspirisys.com) along with other important events.

### (iii) Modified opinion(s) in audit report

There is a modified opinion in audit report of the Company for the year 2023-2024.

### (iv) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer.

The Company has appointed separate persons to the post of Chairperson and the Chief Executive Officer. The Chairperson is a Non-Executive & Non Independent Director and is not related to the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.

### (v) Reporting of Internal Auditor

The Internal Auditor of the Company directly reports to the Audit Committee.

## 8. General body meetings.

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

Year	Date	Venue of Meeting	Time	Whether any Special Resolution passed in previous AGM
2021	24/09/2021	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM), from the Registered office i.e. First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010.	2:00 PM	No
2022	30/06/2022	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM), from the Registered office i.e. First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010.	2:00 PM	No
2023	30/06/2023	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM), from the Registered office i.e. First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010.	2:00 PM	No

### (B) Special Resolution passed through Postal Ballot:

Pursuant to the relaxations granted by the Ministry of Corporate Affairs (MCA) and SEBI, the company had issued the Postal Ballot Notice to obtain approval from the shareholders by way of Special Business and Special Resolution only through the e-voting system as per the notice issued to the shareholders on 16th November, 2023 for:

Sl. No.	Type of Resolution	Description of Resolution
1	Special	Approval for Voluntary Delisting of Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) each of Inspirisys Solutions Limited in accordance with Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended ("SEBI Delisting Regulations")

The Special Resolution was passed by the shareholders of the company with the vote cast in favour of the resolution not less than three times the number of vote cast against the resolution.

#### The result of the Postal Ballot is given below:

Particulars	No. of votes cast in favour	No. of votes cast against
Item No.1 : Approval for Voluntary Delisting of Equity Shares having face value of ₹ 10/- (Indian Rupees Ten Only) each of Inspirisys Solutions Limited in accordance with Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended ("SEBI Delisting Regulations").	E-votes - 32801892	E-votes - 1421867
	Ballot votes - NA	Ballot votes - NA
	Total Votes - 32801892 95.85%	Total Votes - 1421867 4.15%

### Person who conducted the Postal Ballot exercise:

Mr. M. Alagar, Managing Partner (Membership no. F7488 and CoP No. 8196) of M/s. M. Alagar & Associates, Practicing Company Secretaries, Chennai, (Firm Registration Number: P2011TN078800) was appointed as the scrutinizer for conducting the postal ballot through e-voting process 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 16<sup>th</sup> November, 2023 together with Explanatory Statement was dispatched to all its shareholders who have registered their email addresses with the Company / Registrar and Share Transfer Agent or Depository / Depository Participants and the communication of assent / dissent of the Members was taken place only through the remote e-voting system. This Postal Ballot process was accordingly initiated in compliance with the MCA Circulars.
- The e-voting facility was available from 30<sup>th</sup> November, 2023 (09:00 A.M. IST) till 29<sup>th</sup> December, 2024 (05:00 P.M. IST).
- The Scrutinizer submitted his report on the result of Postal Ballot on 30<sup>th</sup> December, 2023 and the result was announced by the authorised person of your company on the same date.

### (C) 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 and Annual Financial Results	Quarterly and Annual Financial Results are generally announced within 45 / 60 days of the end of the quarter.
Newspaper in which Financial results are normally published	Financial Express and Makkal Kural
Any website where Financial Results are displayed	Yes. It is published in the Company's website www.inspirisys.com under Investors Section.

#### General Shareholder Information

##### (i) Annual General Meeting:

Date	Friday, 28 <sup>th</sup> June, 2024
Time	02.00 PM
Mode	The Annual General Meeting will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office i.e. First Floor, Dowlath Towers, New Door Nos. 57, 59, 61 & 63, Taylors Road, Kilpauk, Chennai - 600 010, Tamil Nadu shall be deemed to be venue of the meeting.

##### (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 2023	62.50	41.50	62.56	42.25
May 2023	68.00	50.50	68.21	51.00
June 2023	86.40	66.10	85.50	66.50
July 2023	80.00	67.00	79.25	67.35
August 2023	82.00	67.00	82.24	68.00
September 2023	68.75	60.00	69.90	60.10
October 2023	77.70	57.10	77.26	57.20
November 2023	97.00	64.45	97.59	63.50
December 2023	94.90	77.00	93.00	78.00
January 2024	112.55	88.00	113.40	87.00
February 2024	124.05	105.10	125.00	106.95
March 2024	115.75	100.25	112.00	101.90

##### (ii) Financial Year : 01<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025

Financial Calendar (Tentative)

Results for quarter ending 30 <sup>th</sup> June, 2024	Mid August, 2024
Results for quarter ending 30 <sup>th</sup> September, 2024	Mid November, 2024
Results for quarter ending 31 <sup>st</sup> December, 2024	Mid February, 2025
Results for year ending 31 <sup>st</sup> March, 2025	End May, 2025

##### (iii) Book Closure

Date of Book Closure	Saturday, 22 <sup>nd</sup> June, 2024 to Friday, 28 <sup>th</sup> June, 2024 (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 Company confirms that the Annual Listing fees for the year 2024-2025 have been paid to the concerned Stock Exchanges.

**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 2024.**

Month	BSE Sensex Close	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month	Turnover (Lakhs)
April 2023	61112.44	62.56	42.25	56.32	99349	53.93
May 2023	62622.24	68.21	51.00	66.25	226906	136.04
June 2023	64718.56	85.50	66.50	79.57	247238	193.71
July 2023	66527.67	79.25	67.35	68.68	118069	87.54
August 2023	64831.41	82.24	68.00	69.66	89027	63.36
September 2023	65828.41	69.90	60.10	61.42	30246	19.62
October 2023	63874.93	77.26	57.20	65.00	105424	73.71
November 2023	66988.44	97.59	63.50	79.90	355972	307.20
December 2023	72240.26	93.00	78.00	89.01	121132	104.95
January 2024	71752.11	113.40	87.00	113.40	150990	155.24
February 2024	72500.30	125.00	106.95	107.25	85751	105.76
March 2024	73651.35	112.00	101.90	105.00	47161	50.10

**(ii) ISL share price on NSE vis-à-vis Nifty 100 Close price April - March 2024.**

Month	Nifty 100 Close	High (₹)	Low (₹)	Close (₹)	No. of shares traded during the month	Turnover (Lakhs)
April 2023	17903.95	62.50	41.50	55.40	755529	428.72
May 2023	18438.30	68.00	50.50	66.75	594175	361.24
June 2023	19099.55	86.40	66.10	81.25	781434	598.82
July 2023	19679.35	80.00	67.00	68.35	138522	101.23
August 2023	19204.80	82.00	67.00	68.30	222179	167.30
September 2023	19577.05	68.75	60.00	61.05	139550	91.01
October 2023	19035.35	77.70	57.10	64.45	434870	297.58
November 2023	20201.00	97.00	64.45	78.50	2049225	1778.13
December 2023	21918.80	94.90	77.00	90.75	819259	697.14
January 2024	22051.55	112.55	88.00	112.55	828416	850.01
February 2024	22526.30	124.05	105.10	105.50	236398	271.47
March 2024	22920.70	115.75	100.25	105.30	77406	81.33

**(vi) Registrars and Share Transfer Agents.**

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

**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](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

(vii) Shareholding as on 31<sup>st</sup> March, 2024

(a) Distribution of shareholding as on 31<sup>st</sup> March, 2024

Shares - Range		Number of Share holders	% of Total Share holders	Total Shares for the Range	% of Issued Capital
From	To				
1	500	5803	84.27	628288	1.59
501	1,000	448	6.51	380895	0.96
1,001	2,000	240	3.48	385245	0.97
2,001	3,000	110	1.60	287300	0.73
3,001	4,000	46	0.67	163791	0.41
4,001	5,000	57	0.83	274477	0.69
5,001	10,000	92	1.33	689808	1.74
10,001 and above		90	1.31	36807069	92.91
<b>Total</b>		<b>6886</b>	<b>100.00</b>	<b>39616873</b>	<b>100.00</b>

(b) Shareholding pattern as on 31<sup>st</sup> March, 2024

Category	No. of shares held	% to the total paid up capital
<b>Promoters</b>		
Foreign	2,77,12,125	69.95%
<b>Non Promoters</b>		
Bodies Corporate	50,00,700	12.62%
Foreign Portfolio Investor Category I	50,000	0.13%
NRIs	1,96,967	0.50%
Clearing Member	1,200	0.00%
Hindu Undivided Family	2,83,353	0.72%
Public	63,10,588	15.92%
IEPF	46,639	0.12%
Ltd. Liability Partnership	15,301	0.04%

**Capital of the Company**

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

(c) Top ten shareholders as on 31<sup>st</sup> March, 2024

Sl. No.	Category	Name of the Shareholder	No. of Shares held	% to the total paid up capital
1	Promoter	CAC Holdings Corporation	2,77,12,125	69.95%
2	Non-Promoter	Amicorp Trustees (India) Private Limited	44,64,279	11.26%
3	Non-Promoter	Praful Mehta	4,36,322	1.10
4	Non-Promoter	Kanchan Dungershi Dedhia	3,21,091	0.81
5	Non-Promoter	Tara Chand Jain	3,12,532	0.79
6	Non-Promoter	Ashwin Dungershi Dedhia	2,95,392	0.75
7	Non-Promoter	Savio Gerard Pinto	2,75,666	0.70
8	Non-Promoter	Somani Stock Broking Pvt Ltd	2,33,168	0.59
9	Non-Promoter	Kanishka Jain	2,18,058	0.55
10	Non-Promoter	Jane Sequeira Pinto	2,15,623	0.54

**Dematerialization of shares and liquidity**

99.90% of the equity shares have been dematerialized as on 31<sup>st</sup> March, 2024.

In accordance with the proviso to Regulation 40(1) of SEBI (LODR) Regulations, 2015 effective from 1<sup>st</sup> April, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions. Therefore, Company's shares can be traded only in dematerialized form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialize

their shares with either of the depositories. Equity shares are actively traded in NSE and BSE.

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

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

**(ix) Address for correspondence**

The Company Secretary  
Inspirisys Solutions 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.



**(x) Reconciliation of Share Capital**

As stipulated by SEBI, a qualified Practising Company Secretary carries out Quarterly 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 the said Certificates were submitted to the Stock Exchanges.

**9. Other Disclosures:**

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

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

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

Financial Year	Particulars
2021-2022	NIL
2022-2023	NIL
2023-2024	The Company had received Show Cause Notice from SEBI dated September 24, 2021 and the Company has received a final order no. QJA/GG/CFID/CFID-SEC4/29359/2023-24 dated September 20, 2023 from SEBI and a penalty amount of ₹ 10,00,000/- (Rupees Ten Lakh only) has been imposed on the Company under Section 15HB of Securities and Exchange Board of India Act, 1992 and 23E of Securities Contracts (Regulation) Act, 1956 ("SCRA") and accordingly, the Company has paid the penalty amount to SEBI on October 20, 2023.

- (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](http://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](http://www.inspirisys.com)

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

Nil

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

Mr. M. Alagar, Managing Partner of M/s. M. Alagar & Associates, Practising Company Secretaries, Chennai, has issued a certificate as required under SEBI (LODR) Regulations, 2015 confirming that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. This certificate is annexed hereto.

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

The company has paid ₹ 54.25 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, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- (j) Disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to Firms/Companies in which Directors are interested by name and amount'

The company and its subsidiaries have not provided any loans and advances in the nature of loans to firms/companies in which directors are interested.

- (k) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

Name of the Material Subsidiary	Inspirisys Solutions IT Resources Limited
Date & Place of Incorporation of Material Subsidiary	22 <sup>nd</sup> March, 2007, Chennai
Name of the Statutory Auditors of the Material Subsidiary and date of appointment	M/s. Varma & Varma, Chartered Accountants, Chennai. Appointed on 29 <sup>th</sup> June, 2022

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

The Company has complied with the requirements in this regard.

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

Particulars	Regulation Number	Compliance status (Yes/No/NA)	Compliance observed for the following
Board of Directors	17	Yes	<ul style="list-style-type: none"> <li>• Board composition.</li> <li>• Meeting of Board of directors.</li> <li>• Quorum of board meeting</li> <li>• Review of Compliance Reports.</li> <li>• Plans for orderly succession for appointments.</li> <li>• Code of Conduct.</li> <li>• Fees/compensation.</li> <li>• Minimum Information to be placed before the Board.</li> <li>• Compliance Certificate.</li> <li>• Risk Assessment &amp; Management.</li> <li>• Performance Evaluation of Independent Directors.</li> <li>• Recommendation of Board</li> <li>• Maximum number of Directorship</li> </ul>
Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>• Composition.</li> <li>• Meeting of Audit Committee.</li> <li>• Powers of Audit Committee.</li> <li>• Role of Audit Committee and review of information by the committee.</li> </ul>
Nomination & Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>• Composition.</li> <li>• Quorum</li> <li>• Meeting</li> <li>• Role of the committee.</li> </ul>
Stakeholder Relationship Committee	20	Yes	<ul style="list-style-type: none"> <li>• Composition.</li> <li>• Meeting.</li> <li>• Role of the committee.</li> </ul>
Risk Management Committee	21	Not Applicable	<ul style="list-style-type: none"> <li>• It is applicable only to Top 1000 listed entities and our Company is not falling under this criteria.</li> </ul>
Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>• Formulation of Vigil Mechanism for Directors and employees.</li> <li>• 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.</li> </ul>
Related Party Transaction	23	Yes	<ul style="list-style-type: none"> <li>• Policy on materiality of related party transactions and on dealing with related party transaction.</li> <li>• Prior or omnibus approval of Audit Committee for all related party transactions.</li> <li>• Disclosure of related party transactions on consolidated basis.</li> </ul>
Corporate Governance requirements with respect to subsidiary of listed entity	24	Yes	<ul style="list-style-type: none"> <li>• Composition of Board of Directors of unlisted material Subsidiary.</li> <li>• Audit Committee reviews the financial statements, in particular, the investments made by the unlisted subsidiary.</li> <li>• 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.</li> </ul>
Annual Secretarial Compliance Report	24(A)	Yes	<ul style="list-style-type: none"> <li>• Annual Secretarial Compliance Report.</li> <li>• Secretarial Audit of listed entity and its material unlisted subsidiary.</li> </ul>
Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>• Alternate Director to Independent Director.</li> <li>• Maximum Directorship and tenure.</li> <li>• Meeting of Independent Directors.</li> <li>• Familiarization of Independent Directors.</li> <li>• Declaration form Independent Director</li> <li>• Directors and Officers insurance.</li> </ul>

Particulars	Regulation Number	Compliance status (Yes/No/NA)	Compliance observed for the following
Obligations with respect to employees including senior management, key managerial persons, directors and promoters	26	Yes	<ul style="list-style-type: none"> <li>Memberships/Chairmanships in Committees.</li> <li>Affirmation with Compliance with code of conduct from Directors and Senior Management.</li> </ul>
Other Corporate Governance requirements	27	Yes	<ul style="list-style-type: none"> <li>Compliance with Discretionary requirements.</li> <li>Filing of quarterly compliance report on Corporate Governance.</li> </ul>
Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> <li>Terms and conditions of appointment of Independent Directors.</li> <li>Composition of various committees of Board of Directors.</li> <li>Code of conduct of Board of Directors and senior management personnel.</li> <li>Details of establishment of Vigil mechanism/ Whistle Blower policy.</li> <li>Criteria of making payments to non-executive directors.</li> <li>Policy on dealing with related party transactions.</li> <li>Policy for determining 'material' subsidiaries.</li> <li>Details of familiarization programmes imparted to Independent Directors.</li> </ul>

*This space is intentionally left blank*

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

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

We certify that we have reviewed the financial statements and the cash flow statement prepared based on Indian Accounting Standards for the year ended 31<sup>st</sup> March, 2024 and that to the best of our knowledge and belief:

- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) These statements together present a true and fair view of the Company's affairs and are in compliance with applicable Indian Accounting Standards, Laws and Regulations.
- (3) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (4) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (5) We have indicated to the Auditors and the Audit Committee.
  - (a) significant changes, if any, in internal control over financial reporting during the year;
  - (b) significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and 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  
**Date:** 10<sup>th</sup> May, 2024

**Murali Gopalakrishnan**  
Executive Director & Chief Executive Officer

**Balaji Ramanujam**  
Chief Financial Officer

---

**Declaration signed by the Executive Director & 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 31<sup>st</sup> March, 2024.

**Place:** Chennai  
**Date:** 10<sup>th</sup> May, 2024

**Murali Gopalakrishnan**  
Executive Director & 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  
**Inspirisys Solutions Limited**  
1st Floor, Dowlath Towers,  
New Door Nos. 57, 59, 61 & 63,  
Taylors Road, Kilpauk, Chennai - 600 010.

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

In our opinion and to the best of the information received and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 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.	08486128	Mr. Koji Iketani	19/06/2019
2.	08066529	Mr. Murali Gopalakrishnan	01/11/2022
3.	00531608	Mrs. Ruchi Naithani	11/09/2014
4.	00193527	Mr. Rajesh Muni	06/05/2017
5.	02002827	Mr. Murari Jagan	07/02/2020
6.	08111162	Mr. Toru Horiuchi	01/11/2022

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**  
**Practising Company Secretaries**  
**Peer Review Certificate No: 1707/2022**

**M. Alagar**  
**Managing Partner**  
**FCS No: 7488/ CoP No.: 8196**  
**UDIN: F007488F000343989**

**Place:** Chennai  
**Date:** May 10, 2024

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**  
(Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the compliance of conditions of Corporate Governance by **Inspirisys Solutions Limited** (“the Company”) for the period ended March 31, 2024 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations.

We further 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.

**For M. Alagar & Associates**  
**Practising Company Secretaries**  
**Peer Review Certificate No: 1707/2022**

**Place:** Chennai  
**Date:** May 10, 2024

**M. Alagar**  
**Managing Partner**  
**FCS No: 7488/ CoP No.: 8196**  
**UDIN: F007488F000344077**

*This space is intentionally left blank*

## Independent Auditor's Report

### To the Members of Inspirisys Solutions Limited

#### Report on the Audit of the Standalone Financial Statements

##### Qualified Opinion

1. We have audited the accompanying standalone financial statements of Inspirisys Solutions Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date

##### Basis for Qualified Opinion

3. As detailed in Note 7(c) to the standalone financial statements, the Company has reported an amount of ₹ 4,049 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 March 2024 which are significantly overdue. Further, due to non-realization of aforesaid trade receivables within the prescribed time limit, the Company is in non-compliance with Clause C.20 of the Master Direction - Export of Goods and Services (Updated as on November 22, 2022) ("Master Direction") and is liable to pay Goods and Service Tax (GST) liability along with interest and penalty on such export sales in accordance with sub rule 1 of 96A of Central Goods and Service Tax (CGST) Rules, 2017. The impact of non-compliance with the Master Direction for non-realization of export proceeds within stipulated timeline has been determined by the

Management to be immaterial to the standalone financial statements. The management is confident of recovering the aforesaid receivables from the subsidiary based on the business plans as detailed out in the management note and accordingly, no expected credit loss provision has been made against such long outstanding receivables under Ind AS 109, Financial Instruments and no provision is recognized towards aforesaid GST liability including interest and penalty. However, in the absence of sufficient appropriate audit evidence regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the recoverability of the carrying value of the said trade receivables as at 31 March 2024 and impact on GST liability, including penalty and interest that may be levied, and the consequential impact thereof, if any, on the accompanying standalone financial statements.

Our report on audited standalone financial statement for the year ended 31 March 2023 has been qualified in this regard.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 qualified opinion.

##### Key Audit Matter

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

Key audit matter	How our audit addressed the key audit matter
<p><b><u>Recoverability assessment of trade receivables</u></b></p> <p>Refer Note 2(s) for accounting policy for impairment of trade receivables and Note 38(e) for credit risk disclosures.</p> <p>The Company has reported trade receivables of ₹ 15,625 Lakhs as at 31 March 2024 and expected credit losses allowance of ₹ 1,963 lakhs as detailed in Note 7 of the accompanying standalone financial statements.</p> <p>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 lifetime expected loss model as prescribed by Ind AS 109: 'Financial Instruments', which involves significant management judgements and estimates.</p> <p>Considering the materiality of trade receivables balances to the Company's financial statements and the multiple estimates and judgements involved in the estimation of expected credit losses, this matter is considered as a key audit matter for the current year audit.</p>	<p>Our audit procedures in relation to recoverability assessment of trade receivables included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained a detailed understanding of revenue recognition and receivables provisioning policies, design of controls and how they are being applied.</li> <li>• Tested the design and operating effectiveness of controls that the company has established in relation to revenue recognition.</li> <li>• On a sample basis, we rolled out and obtained direct receivables confirmations from the customers of the Company having outstanding receivable balances as at balance sheet date, for ensuring the acknowledgement of debt by the customer.</li> <li>• Where responses to direct confirmations were not received, subsequent realization of the outstanding invoices or customer acknowledgement of goods received, or services rendered was assessed to ensure the acknowledgement of debt by the customer.</li> <li>• We tested the expected credit loss model including assumptions and underlying computation basis past historical results and our understanding of the business.</li> <li>• We also tested and considered analysis of ageing of receivables and payments received subsequent to year end to identify potentially impaired balances.</li> <li>• Ensured appropriateness and adequacy of disclosures made in the financial statements with respect to the trade receivables and provisioning thereof in accordance with applicable accounting standards.</li> </ul>

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

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

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

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

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

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

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



that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. 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.

#### **Report on Other Legal and Regulatory Requirements**

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.

18. Further to our comments in Annexure-A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) 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 except for the possible effects of the matter described in the Basis for Qualified Opinion section and except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
  - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 3 of the Basis for Qualified Opinion section and paragraph 18(b) above on reporting under section 143(3) (b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed a modified opinion; and
  - 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 40 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
    - 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 2024;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024.
    - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 39(h) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 39(h) to the standalone financial statements, no funds have been received by the Company from any persons or entities), including foreign entities (the Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
    - v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

vi. As stated in Note 45 of the accompanying financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on or after 1 April 2023, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below.

Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at application and database level for the sub system iCSMS used for inventory and call management system to log any data changes.
---	---

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility.	The sub system CSMS used for contract management by the Company did not have a feature of recording audit trail (edit log) facility at the application and database level.

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Mehulkumar Sharadkumar Janani**

Partner

Membership No.: 118617

UDIN: 24118617BKBFFO3441

**Place:** Chennai

**Date:** 10 May, 2024

**Annexure A referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of Inspirisys Solutions Limited on the standalone financial statements for the year ended 31 March 2024.**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and relevant details of right-of-use 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 physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and dispatch inventory records.
- (b) As disclosed in Note 17 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores, by banks on the basis of security of current assets during the year. Pursuant to the terms of the sanction letter, till the time such limit remains unutilised, the Company is not required to file any quarterly return or statement with such banks or financial institutions.

- (iii) (a) The Company has provided loans or advances in the nature of loans, to Subsidiaries as per details given below :

₹ in Lakhs

Particulars	Loans
Aggregate amount provided/granted during the year : - Subsidiaries	Nil
Balance outstanding as at balance sheet date in respect of above cases: - Subsidiaries	₹ 329

- (b) The company has not made any investment, provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal interest are regular.
- (d) In the absence of stipulated schedule of repayment of principal and payment of interest in respect of loans or advances in the nature of loans, we are unable to comment as to whether there is any amount which is overdue for more than 90 days. Reasonable steps have been taken by the Company for recovery of such principal amounts and interest.
- (e) The company has not granted any loan or advance in the nature of loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans / advances in nature of loan that existed as at the beginning of the year.
- (f) The Company has granted loans which are repayable on demand or without specifying any terms or period of repayment, as per details below:

₹ in Lakhs

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/ advances in nature of loan			
- Repayable on demand (A)	329	-	329
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	329	-	329
Percentage of loans/advances in nature of loan to the total loans	100%	-	100%

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments made as applicable.

- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. 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 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) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays 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) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending ₹ in Lakhs
Kerala Value Added Tax Act, 2003	Tax and Penalty	237	-	2013-14, 2014-15 & 2016-17	Appellate Tribunal, additional bench - Ernakulam
Uttar Pradesh Trade Tax Act, 1948	Tax	2	-	2002-03	Trade Tax Tribunal, Lucknow
Income Tax Act, 1961	Income Tax	893	-	2005-06, 2006-07, 2007-08 & 2008-09	High Court, Chennai
Income Tax Act, 1961	Income Tax	434	-	2008-09	Commissioner of Income Tax-Appeals, Chennai
Income Tax Act, 1961	Income Tax	34	-	2009-10	High Court, Chennai
Income Tax Act, 1961	Income Tax	117	-	2010-11	High Court, Chennai
Income Tax Act, 1961	Income Tax	358	-	2012-13 & 2016-17	Commissioner of Income Tax-Appeals, Chennai
Uttar Pradesh Trade Tax Act, 1948	Tax	11	-	2010-11	Deputy Commissioner

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistleblower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information in the accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

**Mehulkumar Sharadkumar Janani**  
Partner  
Membership No.: 118617  
UDIN : 24118617BKBFF03441

**Place:** Chennai  
**Date:** 10 May 2024

**Annexure B to the Independent Auditor's Report of even date to the members of Inspirisys Solutions Limited on the Standalone financial statements for the year ended 31 March 2024.**

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

1. In conjunction with our audit of the standalone financial statements of Inspirisys Solutions Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls over financial reporting with reference to the financial statements 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls

with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls with Reference to Financial Statements**

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

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

#### **Qualified Opinion**

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2024:
  - a) The Company's internal financial controls system with respect to determination of expected credit losses on trade receivables from affiliates as laid down under Indian Accounting Standard ('Ind AS') 109 'Financial instruments', were not operating effectively, which could lead to a potential material misstatement in the value of trade receivables, recognition of loss allowances and its consequential impact on the earnings, other equity and related disclosures in the accompanying standalone financial statements.
  - b) The Company's internal financial controls system with respect to accrual of Goods and Service Tax (GST) liability on export sales to affiliates were not operating effectively, which could lead to a potential material misstatement in the value of Goods and Service Tax liability including interest and penalty that

may be levied, and its consequential impact on the earnings, other equity and related disclosures in the accompanying standalone financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2024, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2024.
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March 2024, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

#### **For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### **Mehulkumar Sharadkumar Janani**

Partner

Membership No.: 118617

UDIN: 24118617BKBFFO3441

**Place:** Chennai

**Date:** 10 May 2024



**Standalone Balance Sheet as at 31 March 2024**

₹ in Lakhs

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
- Property, plant and equipment	4	456	442
- Goodwill	4	542	542
- Other Intangible assets	4	299	363
- Intangible assets under development	4	81	42
Right-of-use assets	5	59	204
Financial assets			
- Investments	6	-	-
- Trade receivables	7	73	39
- Other financial assets	8	57	176
Deferred tax assets (net)	9	-	-
Income tax assets (net)	10	3,091	3,199
Other non-current assets	11	1,199	607
		<b>5,857</b>	<b>5,614</b>
<b>Current assets</b>			
Inventories	12	386	364
Financial assets			
- Trade receivables	7	13,589	11,750
- Cash and cash equivalents	13(a)	4,559	2,908
- Bank balances other than cash and cash equivalents	13(b)	1,137	122
- Loans	14	-	-
- Other financial assets	8	679	692
Other current assets	11	3,492	2,044
		<b>23,842</b>	<b>17,880</b>
<b>Total assets</b>		<b>29,699</b>	<b>23,494</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	3,962	3,962
Other equity	16	7,149	5,033
<b>Total equity</b>		<b>11,111</b>	<b>8,995</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	17	44	19
- Lease liabilities	18	15	77
Provisions	19	87	674
		<b>146</b>	<b>770</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	17	4,405	4,224
- Lease liabilities	18	54	159
- Trade payables	20	-	-
Total outstanding dues of micro and small enterprises; and		186	166
Total outstanding dues of creditors other than micro and small enterprises		5,930	4,386
- Other financial liabilities	21	2,995	2,124
Other current liabilities	22	4,603	2,478
Provisions	19	269	192
		<b>18,442</b>	<b>13,729</b>
<b>TOTAL LIABILITIES</b>		<b>18,588</b>	<b>14,499</b>
<b>Total equity and liabilities</b>		<b>29,699</b>	<b>23,494</b>

**Notes 1 to 46 form an integral part of these standalone financial statements**

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

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

**Mehulkumar Sharadkumar Janani**  
 Partner  
 Membership No: 118617

**Place :** Chennai  
**Date :** 10 May 2024

 For and on behalf of the Board of Directors of  
**Inspirisys Solutions Limited**
**Murali Gopalakrishnan**  
 Executive Director & Chief Executive Officer  
 DIN: 08066529

**Balaji Ramanujam**  
 Chief Financial Officer  
**Place :** Chennai  
**Date :** 10 May 2024

**Rajesh Ramniklal Muni**  
 Director  
 DIN: 00193527  
**S Sundaramurthy**  
 Company Secretary  
**Place :** Chennai  
**Date :** 10 May 2024

**Standalone Statement of Profit and Loss for the year ended 31 March 2024**

₹ in Lakhs

Particulars	Note No.	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>INCOME</b>			
Revenue from operations	23	47,783	35,521
Other income	24	367	480
<b>Total Income</b>		<b>48,150</b>	<b>36,001</b>
<b>EXPENSES</b>			
Cost of raw materials consumed	25	-	4
Purchases of stock-in-trade	26	19,478	10,881
Changes in inventories of stock in trade and finished goods	27	(22)	68
Employee benefits expense	28	10,851	9,905
Impairment losses	29	269	140
Other expenses	30	13,711	11,589
<b>Total expenses</b>		<b>44,287</b>	<b>32,587</b>
<b>Earnings before finance cost, depreciation and amortization expense</b>		<b>3,863</b>	<b>3,414</b>
Finance costs	31	748	650
Depreciation and amortization expense	32	458	558
<b>Profit before tax</b>		<b>2,657</b>	<b>2,206</b>
<b>Tax expense</b>			
Current tax	33	497	411
Deferred tax	9	-	-
		497	411
<b>Profit for the year</b>		<b>2,160</b>	<b>1,795</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
- Re-measurement of post employment benefit obligation, net		(69)	(78)
- Income tax relating to items that will not be reclassified to profit and loss		20	22
		(49)	(56)
<b>Items that will be reclassified to profit and loss</b>			
- Exchange differences on translation of foreign operations		5	64
- Income tax relating to translation of foreign operations		(1)	(18)
		4	46
<b>Other comprehensive income for the year, net of tax</b>		<b>(45)</b>	<b>(10)</b>
<b>Total comprehensive income for the year</b>		<b>2,115</b>	<b>1,785</b>
<b>Earnings per equity share</b>			
Basic and diluted (in ₹)		5.45	4.53
Nominal value of equity shares (in ₹)		10	10

**Notes 1 to 46 form an integral part of these standalone financial statements**

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

**For Walker Chandio & Co LLP**

 Chartered Accountants  
 Firm Registration No. 001076N/N500013

**Mehulkumar Sharadkumar Janani**

 Partner  
 Membership No: 118617

**Place :** Chennai

**Date :** 10 May 2024

 For and on behalf of the Board of Directors of  
**Inspirisys Solutions Limited**
**Murali Gopalakrishnan**

 Executive Director & Chief Executive Officer  
 DIN: 08066529

**Balaji Ramanujam**

Chief Financial Officer

**Place :** Chennai

**Date :** 10 May 2024

**Rajesh Ramniklal Muni**

 Director  
 DIN: 00193527

**S Sundaramurthy**

Company Secretary

**Place :** Chennai

**Date :** 10 May 2024

**Standalone Statement of Cash Flow for the year ended 31 March 2024**

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,657	2,206
<b>Adjustments for:</b>		
Depreciation and amortization expense	458	558
Income on reversal of lease liabilities	-	(28)
Interest expense (including changes in financial instruments)	748	650
Impairment losses	269	140
Liquidated damages	181	101
Provision for inventory obsolescence	(57)	(9)
(Reversal) for gratuity and compensated absences	(649)	(125)
Net unrealised foreign exchange (gain)	(241)	(160)
Bad debts written off	20	20
Interest Income	(157)	(64)
Provision for warranty	70	95
Liabilities no longer required written back	-	(135)
Interest on income tax refund	(30)	(44)
Profit on sale of property, plant and equipment	-	(3)
<b>Operating profit before working capital changes</b>	<b>3,269</b>	<b>3,202</b>
Decrease in inventories	35	80
(Increase) in trade receivables	(1,975)	(2,574)
Decrease / (increase) in financial assets	132	(376)
(Increase) in other non-current assets	(592)	(139)
(Increase) / decrease in other current assets	(1,448)	1,062
Increase in trade payables	1,564	2,034
Increase in other financial liabilities	865	476
Increase / (decrease) in other current liabilities	2,127	(344)
<b>Cash generated from operating activities</b>	<b>3,977</b>	<b>3,421</b>
Direct taxes (paid) / refund received, net	(341)	174
<b>Net cash generated from operating activities</b>	<b>3,636</b>	<b>3,595</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(394)	(254)
Proceeds from sale of property, plant and equipment and other intangible assets	-	3
Interest received	157	64
Movement in bank deposits	(1,015)	216
<b>Net cash generated (used in) / from investing activities</b>	<b>(1,252)</b>	<b>29</b>
<b>C. Cash flow from financing activities</b>		
Repayment of long term borrowings (Refer Note 17(f))	(26)	(3)
Proceeds from long term borrowings (Refer Note 17(f))	45	-
Proceeds / (Repayment) of short term borrowings, net (Refer Note 17(f))	157	(1,565)
Principal elements of lease payments	(168)	(271)
Interest paid	(748)	(629)
<b>Net cash used in financing activities</b>	<b>(740)</b>	<b>(2,468)</b>
<b>D. Net change in cash and cash equivalents</b>	<b>1,644</b>	<b>1,156</b>
E. Cash and cash equivalents at the beginning	2,908	1,675
Effects of foreign currency translation	7	77
<b>F. Cash and cash equivalents at the end</b>	<b>4,559</b>	<b>2,908</b>
<b>Cash and cash equivalents include</b>		
Cash on hand	4	4
Cash in transit	75	-
Balances with banks in current accounts	4,480	2,904
<b>Cash and cash equivalents (Also refer note 13)</b>	<b>4,559</b>	<b>2,908</b>

**Notes 1 to 46 form an integral part of these standalone financial statements**

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

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

**Mehulkumar Sharadkumar Janani**  
 Partner  
 Membership No: 118617

**Place :** Chennai  
**Date :** 10 May 2024

 For and on behalf of the Board of Directors of  
**Inspirisys Solutions Limited**

**Murali Gopalakrishnan**  
 Executive Director & Chief Executive Officer  
 DIN: 08066529

**Balaji Ramanujam**  
 Chief Financial Officer

**Place :** Chennai  
**Date :** 10 May 2024

**Rajesh Ramniklal Muni**  
 Director

DIN: 00193527

**S Sundaramurthy**  
 Company Secretary

**Place :** Chennai  
**Date :** 10 May 2024

**Standalone Statement of Changes in Equity for the year ended 31 March 2024**

₹ in Lakhs

Particulars	Equity share capital	Other Equity					Total
		Reserves and surplus			Others		
		General reserve	Retained Earnings	Securities Premium	Re-measurement of post employment benefit obligation	Exchange differences on translation of foreign operations	
<b>Balances as at 01 April 2022</b>	3,962	859	(8,989)	11,555	(142)	(35)	7,210
Profit for the year	-	-	1,795	-	-	-	1,795
Other comprehensive income, net of tax	-	-	-	-	(56)	46	(10)
<b>Total comprehensive income for the year</b>	-	-	1,795	-	(56)	46	1,785
<b>Balances as at 31 March 2023</b>	<b>3,962</b>	<b>859</b>	<b>(7,194)</b>	<b>11,555</b>	<b>(198)</b>	<b>11</b>	<b>8,995</b>
Profit for the year	-	-	2,160	-	-	-	2,160
Other comprehensive income, net of tax	-	-	-	-	(49)	4	(45)
<b>Total comprehensive income for the year</b>	-	-	2,160	-	(49)	4	2,115
<b>Balances as at 31 March 2024</b>	<b>3,962</b>	<b>859</b>	<b>(5,033)</b>	<b>11,555</b>	<b>(247)</b>	<b>15</b>	<b>11,111</b>

**Notes 1 to 46 form an integral part of these standalone financial statements**

This is the Standalone 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

**Mehulkumar Sharadkumar Janani**

Partner

Membership No: 118617

**Place :** Chennai

**Date :** 10 May 2024

 For and on behalf of the Board of Directors of  
**Inspirisys Solutions Limited**
**Murali Gopalakrishnan**

Executive Director &amp; Chief Executive Officer

DIN: 08066529

**Balaji Ramanujam**

Chief Financial Officer

**Place :** Chennai

**Date :** 10 May 2024

**Rajesh Ramniklal Muni**

Director

DIN: 00193527

**S Sundaramurthy**

Company Secretary

**Place :** Chennai

**Date :** 10 May 2024

## Summary of material accounting policies and other explanatory information

### 1 Background

Inspirisys Solutions 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.

The Standalone financial statements were approved by the Board of Directors and authorized for issue on 10 May 2024.

### 2 Summary of material 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. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the current year classification.

#### 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

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

#### Recognition of deferred tax assets and income tax treatments

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

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

#### Capitalisation of internally developed intangible assets

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether

## Summary of material accounting policies and other explanatory information

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.

## Summary of material accounting policies and other explanatory information

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	3 - 6
Furniture and fittings	10
Office equipment	5
Plant and machinery	15
Leasehold improvements	Over primary lease term
Vehicles	5

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. The useful lives of these assets are in line with the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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.

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

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

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

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

Particulars	Useful life
Software	7 years
Goodwill	Infinite

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

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

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

### g) Revenue recognition

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

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

- 1 Identifying the contract with customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

## Summary of material accounting policies and other explanatory information

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.

- Revenue from the sale of 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 (Infra, Security, Cloud and Software) division provides maintenance services of hardware, software and other network related parts and also outsources certain maintenance contracts to the other service providers. Services division also carries out software development services to its subsidiary in USA 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 contract assets. 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.

Contract assets are recognised when there is an excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Other contract assets have been disclosed as contract assets within other assets. Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues. The billing schedules agreed with customers could include periodic performance based payments and/or milestone-based progress payments. Invoices are payable within contractually agreed credit period. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

### **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.

### **h) Other income**

Other income is comprised primarily of interest 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.

### **i) Inventories**

Inventories are stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined on weighted average basis for raw materials, stock in trade, stores and spares and finished goods and includes expenditure incurred in the normal course of business in bringing inventories to its location and condition, where applicable. Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision/write off is made for such inventories..

### **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



## Summary of material accounting policies and other explanatory information

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 projected unit credit method.

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

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

#### Short-term employee benefits

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

### l) Leases

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

#### Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months and low value lease. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 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).

## Summary of material accounting policies and other explanatory information

### **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).

#### **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 the 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

## Summary of material accounting policies and other explanatory information

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.

## Summary of material accounting policies and other explanatory information

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.

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised

## Summary of material accounting policies and other explanatory information

cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### **De-recognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **Equity instruments**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **s) Impairment of financial assets**

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model and specific identification method based on the credit risk for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss, except for trade receivables.

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.

Default is considered to exist when the counter party fails to make the contractual payment within 30 days of when they fall due.

A trade receivable is considered to be credit impaired when the management considers the amount to be non recoverable.

Significant increase in credit risk is said to have occurred when the recoverability has not occurred post 90 days of becoming due.

### **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

## Summary of material accounting policies and other explanatory information

budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

### u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

### v) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents

consist of balances with banks and on hand which are unrestricted for withdrawal and usage. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified the following as reportable segments: a) System integration (SI) solutions comprising of supply, installation, commissioning of network design, hardware, software and related services, b) Services (Infra, Security, Cloud and 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 2024.

### x) Earnings 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 operating cash receipt or payments, and items of income or expenses associated with investing or financing cash flows. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid

## Summary of material accounting policies and other explanatory information

investments with original maturities of 3 months or less, as applicable.

**z) Transfer Pricing**

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 2024 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.

**aa) Measurement of profit / Earnings before finance cost, depreciation and amortization expense (EBITDA).**

As permitted by the Guidance Note on division II - IND AS Schedule III to the act, the Company has elected to present Earnings before finance cost, depreciation and amortization expense (EBITDA) as a separate line item on the face of the standalone statement of profit and loss.

In its measurement of EBITDA, the Company includes other income but does not include depreciation and amortisation expense, finance cost and tax expense.

**3 Recent accounting pronouncements and other Latest regulatory updates**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company. The company adopted Disclosure of Accounting (amendment to Ind AS 1) from April 1, 2023. Although the amendment did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the standalone financial statement.

The amendment requires the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the standalone financial statement.

*This space is intentionally left blank*

## Summary of material accounting policies and other explanatory information

4 Property, plant and equipment and Intangible assets											₹ in Lakhs
Particulars	Property, plant and equipment						Intangible assets			Under development	
	Leasehold improvements	Plant and machinery	Furniture and electrical fittings	Office equipment	Computers	Vehicles	Total	Goodwill	Softwares		
<b>Gross block</b>											
<b>Balance as at 1 April 2022</b>	361	128	68	87	1,102	134	1,880	864	1,562	-	
Additions	6	-	12	30	143	21	212	-	-	42	
Deletions	(52)	(5)	-	-	-	(13)	(70)	-	-	-	
<b>Balance as at 31 March 2023</b>	315	123	80	117	1,245	142	2,022	864	1,562	42	
Additions	14	-	-	11	170	58	253	-	11	130	
Deletions	-	-	-	-	(22)	(25)	(47)	-	-	-	
<b>Balance as at 31 March 2024</b>	329	123	80	128	1,393	175	2,228	864	1,573	172	
<b>Accumulated depreciation/amortization</b>											
<b>Balance as at 1 April 2022</b>	281	83	65	69	823	85	1,406	322	1,128	-	
Charge for the year	24	22	7	12	150	29	244	-	71	-	
Reversal on deletions	(52)	(5)	-	-	-	(13)	(70)	-	-	-	
<b>Balance as at 31 March 2023</b>	253	100	72	81	973	101	1,580	322	1,199	-	
Charge for the year	45	5	4	11	134	39	238	-	75	-	
Impairment loss for the year (Also, refer note 29)	-	-	-	-	-	-	-	-	-	91	
Reversals on deletions of assets	-	-	-	-	(22)	(24)	(46)	-	-	-	
<b>Balance as at 31 March 2024</b>	298	105	76	92	1,085	116	1,772	322	1,274	91	
<b>Net Block</b>											
<b>Balance as at 31 March 2023</b>	62	23	8	36	272	40	442	542	363	42	
<b>Balance as at 31 March 2024</b>	31	18	4	36	308	59	456	542	299	81	



## Summary of material accounting policies and other explanatory information

₹ in Lakhs

**a) Property, plant and equipment pledged as security**

All the vehicles are pledged as security. (Also, refer note 17(a)).

Particulars	31 March 2024		31 March 2023	
	Gross block	Net block	Gross block	Net block
Vehicles	175	59	142	40
<b>Total</b>	<b>175</b>	<b>59</b>	<b>142</b>	<b>40</b>

b) There are no proceedings that has been initiated or pending against the Company under the Prohibition of Benami Transactions Act, 1988 as amended as the Company does not hold any benami properties.

**c) Intangibles under development (IUD)**

Intangibles under development represents the internally developed software which will be used to earn licensing income.

**Ageing schedule**

Intangible assets under development	As at 31 March 2024				As at 31 March 2023			
	Amount in Intangible under development for a period of				Amount in Intangible under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	81	-	-	-	42	-	-	-

\* none of the intangible assets under development are suspended.

There is no CWIP whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2024 and 31 March 2023.

**d) Goodwill**

The goodwill arose on account of purchase of a specific software business included in the services division (Cash Generating Unit - CGU). The useful life of the goodwill is estimated to be indefinite since the economic benefit to be derived from the asset cannot be restricted to definite period. As required by Ind AS, the Company has performed impairment test on a yearly basis using the value in use method. The calculations use cash flow projections based on the financial budgets approved by the management covering a five year period. Cash flows beyond the five-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 are the key assumptions used by the management to calculate the value in use. The recoverable value of the CGU is more than the carrying value as at 31 March 2024 of CGU, accordingly there is no impairment provision made during the year.

Particulars	As at 31 March 2024
Sales growth rate (%)	10-15
Long term growth rate (%)	2
Budgeted EBITDA (%)	13-14
Budgeted EBIT (%)	12-13
Discount rate (%)	17.79

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 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.
Discount rate	Reflects specific risks relating to the business and the country in which they operate.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

Particulars			As at 31 March 2024	As at 31 March 2023
<b>5</b>	<b>Right-of-use assets</b>			
	<b>Balance at the beginning of the year</b>		<b>204</b>	<b>386</b>
	Additions		-	107
	Deletions		-	(41)
	Depreciation of right of use assets (Also, refer note 32)		(145)	(243)
	Exchange loss/(gain)		-	(5)
	<b>Balance as at the end of the year</b>		<b>59</b>	<b>204</b>
<hr/>				
Particulars			As at 31 March 2024	As at 31 March 2023
<b>6</b>	<b>Investments</b>			
	<b>Non - current investments</b>			
<b>i)</b>	<b>Investment carried at cost</b>			
	<b>Investment in equity instruments in subsidiaries (fully paid-up) (Unquoted)</b>			
	Inspirisys Solutions DMCC, Dubai	300 AED 1000	120	120
	Inspirisys Solutions 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., USA	6,55,000 USD 1	373	373
	Inspirisys Solutions IT Resources Limited, India	30,00,000 ₹ 10	790	790
	Inspirisys Solutions Europe Limited, UK	19,500 GBP 1	17	17
			<b>1,469</b>	<b>1,469</b>
	Less: Impairment in the value of investment		(1,469)	(1,469)
		<b>Total (a)</b>	<b>-</b>	<b>-</b>
<b>ii)</b>	<b>Investments carried at fair value through profit and loss</b>			
	<b>Investments in equity investments of other companies (fully paid-up) (Unquoted)</b>			
	Telesis Global Solutions Limited, India	96,374 ₹ 10	30	30
	Less: Impairment in the value of investment		(30)	(30)
		<b>Total (b)</b>	<b>-</b>	<b>-</b>
	<b>Total Non-current investments</b>	<b>Total (a) +(b)</b>	<b>-</b>	<b>-</b>
	Aggregate amount of unquoted investments		1,499	1,499
	Aggregate amount of impairment in value of investments		(1,499)	(1,499)
	<b>Extent of investment in subsidiaries*</b>			
	Inspirisys Solutions DMCC, Dubai		100%	100%
	Inspirisys Solutions Japan Kabushiki Kaisha, Japan		100%	100%
	Network Programs (USA) Inc., USA		100%	100%
	Inspirisys Solutions North America Inc., USA		100%	100%
	Inspirisys Solutions IT Resources Limited, India		100%	100%
	Inspirisys Solutions Europe Limited, UK		100%	100%

\* The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

a) The recoverable amount of investments in all the subsidiaries, were assessed by the management internally and it was observed that the estimated service potential of these investments have not increased materially. Hence, the impairment of these investments was not reversed during the current year.

b) The impairment provision for all subsidiaries, has already been recorded over the previous years.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

7 Trade receivables (Unsecured)	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
a) Receivables - considered good (Also, refer note 36(c))	73	14,987	39	13,000
b) Receivables - credit impaired (Also, refer note 36(c))	-	565	-	585
	<b>73</b>	<b>15,552</b>	<b>39</b>	<b>13,585</b>
<b>Allowances for expected credit loss</b>				
Alllowance for credit loss	-	(1,398)	-	(1,250)
Alllowance for credit loss - credit impaired	-	(565)	-	(585)
	-	(1,963)	-	(1,835)
	<b>73</b>	<b>13,589</b>	<b>39</b>	<b>11,750</b>

### Ageing for receivables

#### As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed</b>						
(a) Receivables - considered good (Also, refer note 36(c))	7,334	3,977	1,002	938	1,322	14,573
(b) Receivables - credit impaired (Also, refer note 36(c))	-	-	-	83	482	565
<b>Disputed</b>						
(a) Receivables - considered good	4	21	29	88	345	487
<b>Total</b>	<b>7,338</b>	<b>3,998</b>	<b>1,031</b>	<b>1,109</b>	<b>2,149</b>	<b>15,625</b>

#### As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed</b>						
(a) Receivables - considered good (Also, refer note 37(c))	8,853	612	1,028	327	1,774	12,594
(b) Receivables - credit impaired (Also, refer note 37(c))	-	-	82	240	263	585
<b>Disputed</b>						
(a) Receivables - considered good	-	33	52	61	299	445
<b>Total</b>	<b>8,853</b>	<b>645</b>	<b>1,162</b>	<b>628</b>	<b>2,336</b>	<b>13,624</b>

- a) Trade receivables include due from related parties amounting to ₹ 4,628 lakhs as on 31 March 2024 (31 March 2023: ₹ 4,631 lakhs). The carrying amount of the current trade receivables is considered a reasonable approximation of fair value as is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.
- b) All of the Company's trade receivables have been reviewed for indicators of impairment. The Company has impaired its trade receivables using a provisioning matrix representing expected credit losses based on a range of outcomes.
- c) The Company has a trade receivable of ₹ 4,049 Lakhs as on 31 March 2024 (₹ 4,033 Lakhs as on 31 March 2023) from one of its subsidiary companies Inspirisys Solutions North America, Inc (ISNA). The aforesaid balance reflects accumulation of receivables since 2018-19 and comprises of foreign currency receivable pending for settlement beyond the stipulated period as permitted under the Foreign Exchange Management, Act 1999 (as amended). ISNA, the wholly owned subsidiary of Inspirisys Solutions Limited (ISL), India is the marketing arm for the offshore services offered and delivered to the US customers of ISNA from ISL India. ISNA has been working with customers in North America and has been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represent services performed and billed on ISNA over the years in respect of offshore services for the clients of ISNA. The Management is working on turning around the business performance of ISNA and are hopeful of generating profits to pay ISL India against the trade receivables and to this effect has drawn up business plans for the subsidiary for the next few years. In view of the above, the Management considers not making any provision towards any expected credit loss against these Accounts Receivable from ISNA including GST liability if any, in accordance with sub rule 1 of 96A of Central Goods and Service Tax (CGST) Rules, 2017, as further described in Note 41, on such export receivables together with interest thereon as the management is hopeful of collecting the dues from ISNA. The impact of non-compliance with Clause C.20 of the Master Direction – Export of Goods and Services (Updated as on November 22, 2022) for non-realization of export proceeds within stipulated timeline has been determined to be immaterial to the standalone financial statements.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

- d) The company reviews the recoverability of trade receivables and measures expected credit loss on its trade receivables as laid down under the AS 109 “Financial Instruments” and suitable provision is created. The Management is of the opinion adequate control exists and are operating effectively. The specific transactions relating to trade receivables and accrual of GST is a clear case of management estimates and judgement in terms of its recoverability. A detailed note on the recoverability of these trade receivables is provided in Management note no 7(c). With respect to the aforementioned matter, the statutory auditor of the Company has qualified their audit report on standalone financial statements and their report on internal financial controls with reference to the financial statements as provided under section 143(3)(i) of the Companies Act,2013 for the year ended 31 March 2024.
- e) Further, the Company has trade receivables of ₹ 369 Lakhs (₹ 364 Lakhs as on 31 March 2023) from its wholly owned subsidiary named Inspirisys Solutions DMCC, Dubai (ISDMCC). ISDMCC has accumulated losses as at 31 March 2024 and 31 March 2023 and negative net-worth as at 31 March 2023. ISDMCC has incurred continuous losses over the last several years particularly during and after Covid Pandemic and the Board in their meeting held on 28th September 2023 decided to voluntarily windup and liquidate ISDMCC in its best interest. Considering the financial position of the subsidiary, the Company has provided for allowance for credit losses for the entire receivables, investment and loan in the standalone financial statements of 31 March 2024 and 31 March 2023.
- f) 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 to ensure that 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.
- g) There are no debts due by directors or other officers of the Company.

h) Movement in expected credit loss	As at 31 March 2024	As at 31 March 2023
Balance at beginning of the year	1,835	1,743
Additions during the year, net (Also, refer note 29)	178	140
Utilised during the year	(50)	(48)
<b>Balance at end of the year</b>	<b>1,963</b>	<b>1,835</b>

h) On that basis, the loss allowance as at 31 March 2024 and 31 March 2023 was determined as follows for trade receivables:

31st March 2023	Carrying amount - Trade receivables	Expected Credit Loss %	Loss Allowance
Up to 30 days	2,961	7%	218
31 to 60 days	991	8%	79
61 to 90 days	1,553	11%	169
91 to 180 days	1,391	13%	181
181 to 365 days	3,503	6%	210
1 to 2 years	113	69%	78
2 to 3 years	118	81%	96
Above 3 years	367	100%	367
<b>Total</b>	<b>10,997</b>		<b>1,398</b>

31st March 2023	Carrying amount - Trade receivables	Expected Credit Loss %	Loss Allowance
Up to 30 days	5,119	2%	114
31 to 60 days	1,550	12%	184
61 to 90 days	521	17%	87
91 to 180 days	945	22%	203
181 to 365 days	216	45%	98
1 to 2 year	184	59%	109
2 to 3 years	76	95%	72
Above 3 years	383	100%	383
<b>Total</b>	<b>8,993</b>		<b>1,250</b>

\* excludes receivables from the related parties amounting to ₹ 4,628 Lakhs as at 31 March 2024 (₹ 4,631 Lakhs as at 31 March 2023) and its corresponding loss allowance amounting to ₹ 565 Lakhs as at 31 March 2024 (₹ 585 Lakhs as at 31 March 2023).

The expected credit loss percentages have been arrived based on the probability of default using the historic data of past 3 financial years.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
<b>8 Other financial assets</b>				
(Unsecured, considered good unless otherwise stated)				
Security deposits	-	317	-	141
Rental deposits	57	278	176	149
Other receivables	-	77	-	394
Other advances	-	7	-	8
(Unsecured, considered doubtful unless otherwise stated)				
Security deposits	-	24	-	24
Rental deposits	-	55	-	55
Other receivables	-	16	-	16
<b>Allowances for expected credit loss</b>				
Allowance for credit loss	-	(95)	-	(95)
	<b>57</b>	<b>679</b>	<b>176</b>	<b>692</b>

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>9 Deferred tax asset (net)*</b>		
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	-	-
Deferred tax asset arising on account of :		
- Timing difference between Depreciation / amortization as per financials and depreciation as per tax	65	69
- Provision for employee benefits	36	205
- Allowances for expected credit loss	572	534
- Provision for inventory	211	227
- Impairment in value of investments	342	342
- Business loss	183	616
- Minimum alternative tax (MAT) credit available	1456	1,038
	<b>2,865</b>	<b>3,031</b>
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 2024 and 31 March 2023 and consequently reconciliation for the same is not disclosed. Also, the MAT credit and business loss unutilised are due for expiry within 15 years and 8 years respectively from the end of the financial year in which they are created. All other temporary differences does not have any expiry.

The below table represents the yearwise breakup of unutilised MAT credit and Unabsorbed business loss.

Financial Year	As on 31 March, 2024		As on 31 March, 2023	
	MAT	Buisness loss	MAT	Buisness loss
Upto 2014-15	54	-	54	-
2015-16	-	276	-	1,763
2016-17	-	353	-	353
2017-18	294	-	294	-
2019-20	173	-	173	-
2020-21	59	-	59	-
2021-22	65	-	65	-
2022-23	333	-	393	-
2023-24	478	-	-	-
<b>Total</b>	<b>1,456</b>	<b>629</b>	<b>1,038</b>	<b>2,116</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>10 Income tax assets (net)</b>		
Advance Tax, net	3,091	3,199
	<b>3,091</b>	<b>3,199</b>

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
<b>11 Other assets</b>				
Contract assets*, net (Also, refer Note 22)	-	1,515	-	1,208
Balances with government authorities	609	-	251	-
Prepaid expenses	563	1,943	356	805
Supplier advances	-	34	-	31
Gratuity fund balance, net of provisions (Also, refer note 19(a))	27	-	-	-
	<b>1,199</b>	<b>3,492</b>	<b>607</b>	<b>2,044</b>

\* all Contract assets are not due as at 31 March 2024 and 31 March 2023

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>12 Inventories</b>		
Raw materials	14	14
Stock in trade*	1,096	1,131
Less: Provision for inventory obsolescence	(724)	(781)
	<b>386</b>	<b>364</b>

\* Includes goods in transit of ₹ 25 Lakhs as at 31 March 2024 (31 March 2023; ₹ 5 Lakhs)

The value of inventories were neither written down in the current year nor previous years. Further, provisions are made based on the ageing of the inventories as per Company's policy.

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>13 Cash and bank balances</b>		
<b>a) Cash and cash equivalents</b>		
Cash in hand	4	4
Cash in transit	75	-
Balances with banks - current accounts	2,370	1,899
Balances with banks - deposit accounts with original maturity less than three months	2,110	1,005
	<b>(A) 4,559</b>	<b>2,908</b>
<b>b) Bank balances other than mentioned in cash and cash equivalents (Also, refer note (i) and (ii) below)</b>		
Balances with banks - In deposits with original maturity of more than three months but remaining maturity less than twelve months	1,137	122
	<b>(B) 1,137</b>	<b>122</b>
	<b>(A+B) 5,696</b>	<b>3,030</b>

(i) These balances represent interest-bearing margin money deposits given as lien to obtain bank guarantees. They are issued to customers as collateral for the execution of contracts.

(ii) These balances are restricted and are therefore not available for general use by the Company.

## 14 Loans

(Unsecured, considered doubtful unless otherwise stated)

### Loans to related parties\* (Also, refer note 36 (c))

Loans to related party - considered good,	-	-
Loans to related party - credit impaired	329	329
	<b>329</b>	<b>329</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### Less: Allowance for credit loss

Impairment of loans to related party	-	-
Impairment of loans to related party - credit impaired	(329)	(329)
	-	-

\* Represents loans given to subsidiaries on account of working capital requirements and the same are repayable on demand bearing an interest rate of 11% p.a.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.*	Amount	Nos.*	Amount
<b>15 Equity Share Capital</b>				
<b>Authorized</b>				
Equity shares of ₹ 10 each	50,000,000	5,000	5,00,00,000	5,000
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	39,616,873	3,962	3,96,16,873	3,962
	<b>39,616,873</b>	<b>3,962</b>	<b>3,96,16,873</b>	<b>3,962</b>
<b>a) Reconciliation of number of shares</b>				
<b>Equity shares</b>				
<b>Opening balance</b>	3,96,16,873	3,962	3,96,16,873	3,962
Issued during the year	-	-	-	-
<b>Closing Balance</b>	<b>3,96,16,873</b>	<b>3,962</b>	<b>3,96,16,873</b>	<b>3,962</b>
<b>b) Shares held by the holding company</b>				

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.*	Amount	Nos.*	Amount
Equity shares of ₹ 10 each				
CAC Holdings Corporation	2,77,12,125	2,771	2,77,12,125	2,771
<b>c) Shareholders holding more than 5% of the aggregate shares in the Company</b>				
Equity shares of ₹ 10 each				
CAC Holdings Corporation, Holding company	27,712,125	70%	27,712,125	70%
Amicorp Trustees (India) Private Limited (Also, refer note (g) below)	44,64,279	11%	44,64,279	11%
*number of shares are in absolute number.				

<b>d) Share held by promotor</b>				
Equity shares of ₹ 10 each				
CAC Holdings Corporation, Holding company	27,712,125	70%	27,712,125	70%
*number of shares are in absolute number.				
<i>There is no change in the promoter holding during the year ended 31 March 2024 and 31 March 2023.</i>				

<b>e) Terms / rights attached to equity shares</b>	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.			
<b>f)</b>	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 2024.			
<b>g)</b>	In terms of the Settlement Agreement and Release dated 15 March 2017 entered into between Inspirisys Solutions Limited ('the Company'), CAC Holdings Corporation, Japan (the current promoter) and Accel Limited, Mr N R Panicker and Accel Systems Group Inc, (the erstwhile promoter group of Accel Frontline Limited) 44,64,279 shares (representing 11% (previous year: 11%) 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.			

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### h) Capital management policies and procedures

The Company's capital management objectives are:

- to safeguard the Company's ability to continue as a going concern, and continue to provide optimum returns to the shareholders and all other stakeholders by building a strong capital base.
- to maintain an optimum capital structure to reduce the cost of capital.

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 2024	31 March 2023
Borrowings	4,449	4,243
Cash and bank balances	(5,696)	(3,030)
<b>Net debt</b>	<b>(A) (1,247)</b>	<b>1,213</b>
<b>Total equity</b>	<b>(B) 11,111</b>	<b>8,995</b>
<b>Overall financing</b>	<b>(A+B) 9,864</b>	<b>10,208</b>
<b>Gearing ratio</b>	<b>(A/(A+B)) (13%)</b>	<b>12%</b>

Increase in Cash and bank balances and increase in profits during the current year contributing to a lower gearing ratio.

Particulars	As at	
	31 March 2024	31 March 2023
<b>16 Other Equity</b>		
<b>Securities premium</b>	<b>11,555</b>	<b>11,555</b>
<b>General reserve</b>	<b>859</b>	<b>859</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	(7,194)	(8,989)
Add : Transferred from statement of profit and loss	2,160	1,795
<b>Balance at the end of the year</b>	<b>(5,034)</b>	<b>(7,194)</b>
<b>Accumulated other comprehensive income</b>		
Balance at the beginning of the year	(198)	(142)
Add : Transfer from other comprehensive income	(49)	(56)
<b>Balance at the end of the year</b>	<b>(247)</b>	<b>(198)</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	11	(35)
Add : Transfer from other comprehensive income	4	46
<b>Balance at the end of the year</b>	<b>15</b>	<b>11</b>
<b>Total Other equity</b>	<b>7,149</b>	<b>5,033</b>

#### 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) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations of branch is recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity.



## Summary of material accounting policies and other explanatory information

₹ in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
<b>17 Borrowings</b>				
<b>(i) Secured</b>				
<b>From Banks</b>				
Vehicle Loan (Also refer note (a) and (b) below)	44	17	19	23
<b>A</b>	<b>44</b>	<b>17</b>	<b>19</b>	<b>23</b>
<b>(ii) Unsecured</b>				
<b>Borrowings</b>				
<b>From banks</b>				
Post shipment in foreign currency	-	248	-	119
<b>From Others</b>				
Loans and advances from related parties	-	4,140	-	4,082
<b>B</b>	<b>-</b>	<b>4,388</b>	<b>-</b>	<b>4,201</b>
<b>Total Borrowings</b>	<b>(A+B)</b>	<b>4,405</b>	<b>19</b>	<b>4,224</b>

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 7% to 9.5% per annum (Also, refer note 4(a)).

b) The details of lease commitments in terms of Minimum lease payments (MLP) and Present value (PV) of MLP are as follows:

Payments falling due:	As at 31 March 2024		As at 31 March 2023	
	MLP	PV of MLP	MLP	PV of MLP
Payable not later than 1 year	22	17	26	23
Payable later than one year but not later than 5 years	50	44	20	19
<b>Total</b>	<b>72</b>	<b>61</b>	<b>46</b>	<b>42</b>
Less: Amounts representing interest	(11)	-	(4)	-
	<b>61</b>	<b>61</b>	<b>42</b>	<b>42</b>

c) The loans and advances from related parties represents loan from the holding company, CAC Holdings Corporation, to the tune of ₹ 4,140 lakhs as at 31 March 2024 (including interest payable) (as at 31 March 2023: ₹ 4,082 lakhs) with an interest rate of 4.5 % + 6 months SOFR rate, per annum; the entire amount being repayable in 2023-24. (Also, refer note 36). This loan from Holding Company is denominated in USD.

Particulars	As at 31 March 2024	As at 31 March 2023
-------------	---------------------	---------------------

**d) Details of guarantee**

Guaranteed by holding Company

From banks

- PSCFC

248

119

**e) Details of security**

- The Company has availed PSCFC (Post Shipment Credit in Foreign Currency) worth ₹ 248 Lakhs (as at 31 March 2023: ₹ 119 Lakhs) from Sumitomo Mitsui Banking Corporation at an interest rate of relevant period SOFR + applicable credit cost + 0.7% p.a. i.e., ranging from 7% to 8% for the year ended 31 March 2024 (as at 31 March 2023: 8.25%) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan. The same is repayable on the respective due dates of each drawdown, which is generally less than 12 months.
- The Company has a financing facility from HDFC bank limited to the tune of ₹ 3,000 Lakhs (Fund based ₹ 500 Lakhs and Non Fund Based ₹ 2,500 Lakhs) as at 31 March 2024. This loan is secured by First and exclusive charge on the fixed assets and current assets of the company. The Company has not utilised this facility during the year and the balance as at 31 March 2024 is ₹ Nil.
- The Company has a financing facility from Axis Bank to the tune of ₹ 260 Lakhs (Non Fund Based ₹ 260 Lakhs) as at 31 March 2024. This loan is secured by 100% Cash Collateral and is being closed on a run down basis.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

	As at 31 March 2024		As at 31 March 2023	
	Long term	Short term	Long term	Short term
<b>f) Reconciliation for cash flow statement</b>				
Opening balance	19	4,224	25	5,478
Repayment of borrowings	(26)	-	(3)	(1,565)
Proceeds from borrowings	45	157	-	-
Exchange gain on restatement	-	30	-	287
Interest expense	11	737	2	648
Interest paid	(5)	(743)	(5)	(624)
<b>Closing Balance</b>	<b>44</b>	<b>4,405</b>	<b>19</b>	<b>4,224</b>

- g) The outstanding short-term facilities are secured by the corporate guarantee provided by the holding company and these are not secured against the current assets by the Company.
- h) The Company is generally regular in repayment of its borrowings and hence, it has not been declared as wilful defaulter by any bank or financial institutions.
- i) The Company has duly registered all the creation and satisfaction of the charges with the Registrar of Companies on or before the prescribed time limit.
- j) The below table contains details of undrawn facility.

Bank	Total Facility	Facility Utilised (Funded)	Facility Utilised (Non-Funded)	Unutilised Facility
SMBC	5,000	248	1,755	2,997
Mizuho Bank Limited	12,750	-	8,972	3,778
HDFC Bank Limited	3,000	-	-	3,000
<b>Total</b>	<b>20,750</b>	<b>248</b>	<b>10,727</b>	<b>9,775</b>

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non - Current	Current	Non - current	Current
<b>18 Lease liability</b>				
Lease liability (Also refer note (a) below)	15	54	77	159
	<b>15</b>	<b>54</b>	<b>77</b>	<b>159</b>

(a) Movement in lease liability	As at 31 March 2024	As at 31 March 2023
<b>Balance at beginning of the year</b>	<b>236</b>	<b>432</b>
Additions	-	107
Deletion	-	(69)
Finance cost (Also refer note 31)	15	27
Payment of lease liabilities	(182)	(271)
Exchange gain / (loss)	-	10
<b>Balance as at end of the year</b>	<b>69</b>	<b>236</b>

**(b) Summary of contractual maturities of lease liabilities**

Less than one year	46	171
One to five years	88	82
More than five years	-	-
<b>Total undiscounted lease liabilities as at the year end</b>	<b>134</b>	<b>253</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
<b>19 Provisions</b>				
Provisions for employee benefits				
Gratuity (Also, refer note (a(i)) below)	-	-	597	-
Compensated absences (Also, refer note (a(ii)) below)	87	37	77	30
Provision for warranty (Also, refer note (b) below)	-	232	-	162
	<b>87</b>	<b>269</b>	<b>674</b>	<b>192</b>

### 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 2024	As at 31 March 2023
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	825	779
Current service cost	88	92
Interest cost	56	45
Actuarial loss	95	78
Past service cost	-	58
Benefits paid	(78)	(227)
<b>Projected benefit obligation at the end of the year</b>	<b>986</b>	<b>825</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	228	132
Investment income	17	8
Employer contributions	820	315
Benefits paid	(78)	(227)
Actuarial (loss) / gain	26	-
<b>Fair value of plan assets at the end of the year</b>	<b>1,013</b>	<b>228</b>
<b>Reconciliation of present value of obligation on the fair value of plan assets to the liability recognised</b>		
Present value of projected benefit obligation at the end of the year	986	825
Fair value of plan assets at the end of the year	1,013	228
<b>(Asset) / Liability recognized in the balance sheet</b>	<b>(27)</b>	<b>597</b>
<b>Thereof</b>		
Funded	986	228
Unfunded	-	597
<b>Components of net gratuity costs are</b>		
Current service cost	88	92
Past service cost	-	58
Interest cost	39	37
<b>Total amount recognised in the statement of profit or loss</b>	<b>127</b>	<b>187</b>
Actuarial (gain) / Loss	69	78
Total amount recognised in other comprehensive income	69	78
<b>Net gratuity cost</b>	<b>196</b>	<b>265</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### Principal actuarial assumptions used :

Discount rate	7.09%	7.27%
Long-term rate of compensation increase	6.00%	6.00%
Expected rate of return on plan assets	7.09%	7.27%
Average remaining life (in years)	24.66	21.59
Attrition rate		
Upto 30 years	25%	30%
31 to 44 years	25%	25%
Above 44 years	15%	15%

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 ₹ 82 lakhs to be paid in 2024-25. The weighted average duration of the defined benefit obligation as at 31 March 2024 is 3 years (31 March 2023: 3 years).

### Employee benefits - Maturity profile (undiscounted)

Particulars	Less than a Year	Between 2-5 Years	Between 6-10 years	Over 10 year	Total
<b>31 March 2024</b>					
Defined benefit obligation	276	498	375	191	1,340
<b>31 March 2023</b>					
Defined benefit obligation	203	449	316	167	1,135

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 2024.

	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
<b>31 March 2024</b>						
> Sensitivity Level	1%	1%	1%	1%	1%	1%
> Defined benefit obligation	(17)	18	(34)	37	39	(36)
<b>31 March 2023</b>						
> Sensitivity Level	1%	1%	1%	1%	1%	1%
> Defined benefit obligation	(10)	8	(29)	31	33	(31)

### Risk exposure

The defined benefit plan exposes the Company to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.

#### Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in Indian rupees. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets

#### Investment risk

The company maintains plan assets in the form of fund with Life Insurance Corporation of India. The fair value of the plan assets is exposed to the market risks (in India).

#### Longevity risk

The Company is required to provide benefits for life for the members of the defined benefit liability. Increase in the life expectancy of the members, will increase the defined benefit liability.

#### Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Company's liability.

## Summary of material accounting policies and other explanatory information

₹ 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 2024	As at 31 March 2023
<b>Principal actuarial assumptions used</b>		
Discount rate	7.09%	7.27%
Long-term rate of compensation increase	6.00%	6.00%
Attrition rate		
Upto 30 years	25%	30%
31 to 44 years	25%	25%
Above 44 years	15%	15%

Sensitivity analysis is carried out by Projected Unit Credit Method (PUCM) by changing only the respective assumption and keeping all other assumption same as that used to estimate the liability. The impact given is the difference between the liability as on the date of valuation and the liability if the given assumption changes by the stated amount. The limitation of this method is that it considers the change in the respective assumption in isolation without affecting the other assumptions which in reality may not be the case.

Particulars	As at 31 March 2024	As at 31 March 2023
<b>b) Provision for warranty</b>		
Balance at the beginning of the year	162	67
Created during the year, net	99	133
Reversed during the year	(29)	(38)
<b>Balance at the end of the year</b>	<b>232</b>	<b>162</b>

A provision is recognized for expected warranty claims on supply of banking licenses, based on past experience of level of technical support costs incurred. The current and non-current classification of the provision is made based on the remaining warranty period of the licenses 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 licenses 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 12 months.

### 20 Trade payables

Total outstanding dues of micro and small enterprises	186	166
Total outstanding dues of creditors other than micro and small enterprises	5,930	4,386
	<b>6,116</b>	<b>4,552</b>

### a) Ageing of trade payables

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	186	-	-	-	186
(ii) Others	5,908	-	1	1	5,910
(iii) Disputed dues – Other than MSME	-	-	5	15	20
<b>Total</b>	<b>6,094</b>	<b>-</b>	<b>6</b>	<b>16</b>	<b>6,116</b>

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year*	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	166	-	-	-	166
(ii) Others	4,307	1	2	71	4,381
(iii) Disputed dues – Other than MSME	-	5	-	-	5
<b>Total</b>	<b>4,473</b>	<b>6</b>	<b>2</b>	<b>71</b>	<b>4,552</b>

\* Includes not due

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
<b>b) Total outstanding dues of micro and small enterprises</b>		
<b>Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:</b>		
i) Principal amount remaining unpaid	186	166
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	-	-
	<b>186</b>	<b>166</b>

\*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 2024 and 31 March 2023 has been made in the financials statements based on information received and available with the Company. Further, the Company has not paid any interest to any micro and small enterprises during the current year and previous year.

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>21 Other current financial liabilities</b>		
Employee related payables	545	338
Other accrued liabilities	2,450	1,766
<b>Total financial liabilities</b>	<b>2,995</b>	<b>2,124</b>
<b>22 Other current liabilities</b>		
Statutory dues	334	321
Unearned revenue	4,269	2,157
	<b>4,603</b>	<b>2,478</b>

The following table discloses the movement in the contract assets and unearned revenue during the year ended 31 March 2024 and 31 March 2023:

Particulars	Contract assets		Unearned revenue	
	As at 31 March	As at 31 March	As at 31 March	As at 31 March
	2024	2023	2024	2023
Balance at the beginning of the year	1,208	1,390	2,157	2,474
Revenue recognised during the year	1,515	1,208	(1,361)	(2,102)
Invoiced during the year	(1,208)	(1,390)	3,473	1,785
<b>Balance at the end of the year</b>	<b>1,515</b>	<b>1,208</b>	<b>4,269</b>	<b>2,157</b>

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
<b>23 Revenue from operations</b>		
Sale of goods	20,702	11,426
Sale of services (Also, refer note 36(b))	27,048	23,950
Other operating income	33	145
<b>Revenue from operations</b>	<b>47,783</b>	<b>35,521</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Disaggregate revenue information is as follows:		
<b>Nature of operations (also refer notes below)</b>		
<b>Revenue transferred at a point in time</b>		
Sale of products / hardware	20,702	11,426
<b>Revenue transferred over time</b>		
Services	25,895	22,821
Warranty management Services	1,186	1,274
	<b>47,783</b>	<b>35,521</b>

### a) Entity's remaining performance obligation

The aggregate amount of transaction price that is allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period is ₹ 20,372 Lakhs (₹ 9,708 for the year ended 31 March 2023). The management expects to be recognise the same as revenue in the subsequent years as detailed in the below table:

Aggregate amount of transaction price	Expected period of revenue recognition			
	Total	Less than 1 year	1-3 years	More than 3 years
> As at 31 March 2024	20,372	13,831	4,448	2,093
> As at 31 March 2023	9,708	6,940	2,284	484

### b) Liquidated damages (adjustment to contract price)

The Company based on the historic trend and assessment of the contract performance, estimates the potential liquidated damages / penalty likely to be charged by the customers as a % of the revenue recognised for the financial year. These liquidated damages / penalties (LD) are adjusted against the revenue from operations in the statement of profit and loss. A reconciliation of the same is as below:

Particulars	31 March 24	31 March 23
Revenue recognised (excluding LD)	47,964	35,670
Less : Estimated LD included in Revenue from operations	(181)	(149)
Revenue recognised (net-off LD)	47,783	35,521

### 24 Other income

Liabilities no longer required written back	87	135
Interest income from financial assets at amortised cost, fixed deposits	157	26
Interest income from financial assets at amortised cost, rental deposits	19	38
Net gain on foreign currency transactions and translations	53	168
Interest on income tax refund	30	44
Reversal of lease liabilities	-	28
Other non-operating income	21	41
	<b>367</b>	<b>480</b>

### 25 Cost of raw materials consumed

Opening stock (Net of provision)	-	3
Add : Purchases during the year	-	1
Less: Closing stock (Net of provision)	-	1
	-	<b>4</b>

### 26 Purchases of stock-in-trade

Purchases of stock-in-trade	19,478	10,881
	<b>19,478</b>	<b>10,881</b>

### 27 Changes in inventories of stock-in-trade and finished goods

Opening stock:		
Finished goods	-	-
Stock in trade	1,131	1,166
Less: Provision for inventories	(767)	(734)
	<b>364</b>	<b>432</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

Particulars	₹ in Lakhs	
	Year ended 31 March 2024	Year ended 31 March 2023
Closing stock:		
Finished goods	-	-
Stock in trade	1,096	1,131
Less: Provision for inventories	(710)	(767)
	<b>386</b>	<b>364</b>
<b>Net (increase) / decrease in inventories</b>	<b>(22)</b>	<b>68</b>
<b>28 Employee benefits expense</b>		
Salaries and wages	10,181	9,233
Gratuity expense (Also, refer note 19)	127	187
Contribution to provident and other defined contribution funds	422	410
Staff welfare expenses	121	75
	<b>10,851</b>	<b>9,905</b>
<b>29 Impairment loss</b>		
Impairment of Intangible assets under development (Also refer note (a) below)	91	-
Allowances for credit loss in trade receivables (Also refer note (b) below)	178	140
	<b>269</b>	<b>140</b>
<b>Note :</b>		
a) The Company has internally evaluated the recoverable amount of the intangible assets under development as required under Ind AS 36 Impairment and concluded that the same is less than carrying amount and impairment allowances were made during the year to the extent of ₹ 91 lakhs.		
b) During the current year, the company has created allowances for credit loss to the tune of ₹ 178 Lakhs with respect to trade receivables of unrelated parties based on expected credit loss (ECL) evaluation.		
<b>30 Other expenses</b>		
Sub-contracting and outsourcing cost	9,705	7,802
Legal and professional fees	1,157	1,132
Rent (Also, refer note 35)	597	524
Travelling and conveyance	329	363
Marketing fee (Also, refer note 36(b))	283	241
Communication expenses	202	218
Power and fuel	250	220
Insurance	169	159
Freight and forwarding	80	69
Rates and taxes	234	101
Bad Debts Written off	20	20
Repairs and maintenance		
- Others	39	43
- Equipments	2	6
- Leased premises	310	318
Printing and stationery	17	17
Payments to auditors*		
- Statutory audit	43	39
- Limited review	9	8
- Reimbursement of expenses	4	2
Directors' sitting fees (Also, refer note 36(b))	31	35
Corporate Social Responsibility expenses (Also, refer note 43)	24	18
Miscellaneous expenses	206	254
	<b>13,711</b>	<b>11,589</b>

\* excluding applicable taxes



## Summary of material accounting policies and other explanatory information

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>31 Finance costs</b>		
Interest expenses (Also, refer note 36(b))	450	476
Interest on lease liabilities	15	27
Other borrowing costs	283	147
	<b>748</b>	<b>650</b>
<b>32 Depreciation and amortization expense</b>		
Depreciation of property, plant & equipment (Also, refer note 4)	238	244
Amortization of intangible assets (Also, refer note 4)	75	71
Depreciation of right-of-use asset (Also, refer note 5)	145	243
	<b>458</b>	<b>558</b>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>33 a) Income taxes</b>		
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 29.12% and the reported tax expense in the statement of profit and loss are as follows:		
Accounting profit before taxes	2,657	2,206
Tax rates	29.12%	29.12%
Tax on profit at enacted tax rate	774	642
<b>Tax Impact on the following items:</b>		
- Expenses not deductible for tax	82	66
- Others#	(359)	(297)
<b>Actual tax expense</b>	<b>497</b>	<b>411</b>
Current tax	497	411
<b>Tax expense reported in the statement of profit and loss</b>	<b>497</b>	<b>411</b>
# Majorly on account of difference in applicable tax rate (MAT) and effective tax rate.		
<b>b) The Company does not have any item that has not been recorded in books but has been disclosed as income during the current year in the tax assessments</b>		
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>34. Earnings per equity share</b>		
Nominal value of equity shares (in ₹)	10	10
Profit attributable to equity shareholders (A)	2,160	1,795
Weighted average number of equity shares outstanding during the year (B)	3,96,16,873	3,96,16,873
Basic and diluted earnings per equity share (A/B) (in ₹)	5.45	4.53
<b>35 Leases</b>		
The Company has lease contracts for office premises and these lease contracts are cancellable / renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116.		
	<b>Year ended</b>	<b>Year ended</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
Lease expense during the year, representing the minimum lease payments	597	524

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### 36 Related parties

The below note summarises the list of related parties of the Company and transactions with them. All transactions were made on normal commercial terms and conditions and at market rates:

#### 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
PT Mitrais, Indonesia	Fellow subsidiary
Inspirisys Solutions DMCC, Dubai	Subsidiary
Inspirisys Solutions Japan Kabushiki Kaisha	Subsidiary
Network Programs (USA) Inc., USA	Subsidiary
Inspirisys Solutions North America Inc.,	Subsidiary
Inspirisys Solutions IT Resources Limited	Subsidiary
Inspirisys Solutions Europe Limited, UK	Subsidiary
Koji Iketani	Non Independent, Non Executive Chairman
Malcolm F. Mehta, Chairman and Chief Executive Officer (Upto 31 October 2022)	Key Management Personnel (KMP)
Murali Gopalakrishnan, Executive Director & Chief Executive Officer (From 01 November 2022)	Key Management Personnel (KMP)
Balaji Ramanujam, Chief Financial Officer (From 01 November 2022)	Key Management Personnel (KMP)
S. Sundaramurty ( Company Secretary and Compliance Officer)	Key Management Personnel (KMP)
Rajesh Ramniklal Muni	Independent director
Ruchi Naithani	Independent director
Raj Khalid (Upto 30 April 2023) (Also refer note 42)	Independent director
M S Jagan	Independent director
Toru Horiuchi (from 01 November 2022)	Non Executive and Non Independent Director

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### b) Transactions with related parties

Name of the related party	Year ended 31 March 2024	Year ended 31 March 2023
<b>Sale of services</b>		
Inspirisys Solutions North America Inc.,	1,141	1,168
CAC America Corporation	160	121
<b>Purchase of software</b>		
PT Mitrais, Indonesia	9	-
<b>Interest expense</b>		
CAC Holdings Corporation, Tokyo, Japan	410	319
<b>Reimbursements</b>		
CAC Holdings Corporation, Tokyo, Japan	34	26
<b>Marketing Fee</b>		
Inspirisys Solutions North America Inc.,	283	241
<b>Remuneration*</b>		
Malcolm F Mehta	-	124
Murali Gopalakrishnan	111	43
Balaji Ramanujam	49	35
S. Sundaramurty	26	26
Raj Khalid	-	8
Rajesh Ramniklal Muni	13	12
Ruchi Naithani	9	9
M S Jagan	9	7
<b>Management fees</b>		
CAC Holdings Corporation, Tokyo, Japan	99	78

\*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.

*This space is intentionally left blank*

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### c) Balance with related parties (Unsecured, unless stated otherwise)

Name of the related party	As at 31 March 2024	As at 31 March 2023
<b>Advances</b>		
CAC Corporation, Tokyo, Japan	1	1
<b>Loans (refer note: 14)</b>		
Inspirisys Solutions DMCC, Dubai #	275	275
Inspirisys Solutions Europe Limited, UK #	54	54
<b>Loans Payable (refer note: 17(ii))</b>		
CAC Holdings Corporation, Tokyo, Japan	4,140	4,082
<b>Trade receivables* (refer note: 7)</b>		
Network Programs (USA) Inc., USA #	196	221
Inspirisys Solutions North America Inc., USA	4,049	4,033
Inspirisys Solutions DMCC, Dubai #	369	364
CAC America Corporation	14	13
<b>Contract assets** (refer note: 11)</b>		
Inspirisys Solutions North America Inc., USA	69	106
CAC America Corporation	13	13
<b>Management fees payable***</b>		
CAC Holdings Corporation, Tokyo, Japan	99	78
<b>Guarantee received (refer note: 17(i))</b>		
CAC Holdings Corporation, Tokyo, Japan	17,750	17,750

# The Company has provided allowances for credit losses for the entire balance.

\* Trade receivables generally carry a credit period of 60 Days and are to be settled in cash.

\*\* Contract assets represents unbilled revenue which will be billed subsequently as per the terms of the contract.

\*\*\* Management fees payable represents management support fees payable to holding company and is to be settled in cash.

### d) 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 2024		Year ended 31 March 2023	
	Loans received	Loans given	Loans received	Loans given
CAC Holding Corporation, Tokyo, Japan	4,140	-	4,082	-
Inspirisys Solutions DMCC, Dubai	-	275	-	275
Inspirisys Solutions Europe Limited, UK	-	54	-	54

### e) Loans or advances to the below persons that are either repayable on demand or without any specific repayment terms:

Type of Borrower	As at 31 March 2024		As at 31 March 2023	
	Amount outstanding	% of Total	Amount outstanding	% of Total
Related Parties	330	100%	330	100%
<b>Total</b>	<b>330</b>	<b>100%</b>	<b>330</b>	<b>100%</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### 37 Fair value measurement

#### a) Financial instruments by category

	As at 31 March 2024			As at 31 March 2023		
	Amortized cost	Total carrying value	Fair value @	Amortized cost	Total carrying value	Fair value @
<b>Financial assets</b>						
Investment*	-	-	-	-	-	-
Trade receivables, net	13,662	13,662	13,662	11,789	11,789	11,789
Cash and cash equivalents	4,559	4,559	4,559	2,908	2,908	2,908
Bank balances	1,137	1,137	1,137	122	122	122
Loans	-	-	-	-	-	-
Other financial assets	736	736	736	868	868	868
<b>Total financial assets</b>	<b>20,094</b>	<b>20,094</b>	<b>20,094</b>	<b>15,687</b>	<b>15,687</b>	<b>15,687</b>
<b>Financial liabilities</b>						
Borrowings	4,449	4,449	4,449	4,243	4,243	4,243
Lease liabilities	69	69	69	236	236	236
Trade payables	6,116	6,116	6,116	4,552	4,552	4,552
Other financial liabilities	2,995	2,995	2,995	2,124	2,124	2,124
<b>Total financial liabilities</b>	<b>13,629</b>	<b>13,629</b>	<b>13,629</b>	<b>11,155</b>	<b>11,155</b>	<b>11,155</b>

\* Does not include Investment which are accounted at cost in accordance with Ind AS 27.

@ Management recognises all financial assets and liabilities at amortised cost and considers it to approximate fair value. The company does not have any assets measured at FVOCI.

#### 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. The management had impaired the investment hence there is no carrying value for this investment.

#### c) Interest-bearing loans and borrowings:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Interest-bearing loans and borrowings:</b>		
Floating rate borrowings	4,388	4,201
Fixed rate borrowings	61	42

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.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### 38 Financial risk management

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its and group companies operations. The Company's principal financial assets include loans, trade and other receivables, investments, cash and deposits that derive directly from its operations.

The Company is exposed to market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management assesses the financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

#### a) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

#### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year, the Company did not have any floating rate borrowings except for the borrowings from the Holding Company which is charged at SOFR + 4.5% and PSCFC facility which is charged at relevant period SOFR + Applicable credit cost + 0.7% p.a.

#### 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 2024 and 31 March 2023. 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 2024	Year ended 31 March 2023
Increase in interest rate / (Decrease) in profit for the year	+1%	44	42
(Decrease) in interest rate / Increase in profit for the year	-1%	(44)	(42)

#### 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
<b>31 March 2024</b>			
Financial assets	5,722	73	25
Financial liabilities	4,141	-	-
<b>31 March 2023</b>			
Financial assets	5,732	71	25
Financial liabilities	4,088	-	-

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 2024 (31 March 2023: +/-1%), +/- 1% change of the AED/₹ exchange rate for the year ended 31 March 2024 (31 March 2023: +/- 1%) and a +/- 1% change is considered for the GBP/₹ exchange rate for the year ended at 31 March 2024 (31 March 2023: +/-1%).

If the ₹ had strengthened against the USD by 1% during the year ended 31 March 2024 (31 March 2023: 1%), AED by 1% during the year ended 31 March 2024 (31 March 2023: 1%) and GBP by 1% during the year ended 31 March 2024 (31 March 2023: 1%) respectively then this would have had the following impact on profit before tax and equity before tax:

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

If the ₹ had weakened against the USD by 1% during the year ended 31 March 2024 (31 March 2023: 1%) and GBP by 1% during the year ended 31 March 2024 (31 March 2023: 1%) respectively then there would be an equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Profit before tax</b>		
USD	+1%	16
GBP	+1%	1
AED	+1%	2
<b>Profit before tax</b>		
USD	-1%	(16)
GBP	-1%	(1)
AED	-1%	(2)

### 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	As at 31 March 2024	As at 31 March 2023
<b>Classes of financial assets</b>		
Trade receivables	13,662	11,789
Cash and bank balance	5,696	3,030
Other Financials assets	736	868

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 except subsidiaries. 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.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

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

As at 31 March 2024	Current		Non Current
	Within 6 months	6 to 12 months	1 to 5 years
Borrowings	467	3,938	44
Lease Liabilities	26	20	88
Trade and other payables	6,116	-	-
Other financial liabilities	2,995	-	-
As at 31 March 2023	Current		Non Current
Particulars	Within 6 months	6 to 12 months	1 to 5 years
Borrowings	131	4,094	19
Lease Liabilities	80	80	77
Trade and other payables	4,552	-	-
Other financial liabilities	2,124	-	-

### 39. Other Disclosures

(a) Analytical ratios.

Ratio	Notes/ refer- ence	Numerator		Notes/ refer- ence	Denominator		Ratio		% Vari- ance	Variance reasons (refer ex- planation below)
		A	B		A	B	A	B		
		Amount (i)	Amount (ii)		Amount (iii)	Amount (iv)	v = (i)/ (iii)	vi = (ii)/ (iii)		
Current ratio (in times)	39 i	23,842	17,880	39 vi	18,442	13,729	1.29	1.30	(0.73%)	1
Trade receivables turnover ratio (in times)	23	47,783	35,521	39 v	12,726	10,395	3.75	3.42	9.88%	
Net capital turnover ratio (in times)	23	47,783	35,521	39 vi	5,400	4,151	8.85	8.56	3.40%	
Debt - equity ratio (in times)	17	4,449	4,243	39 ix	11,111	8,995	0.40	0.47	(15.12%)	
Inventory turnover ratio (in times)	23	47,783	35,521	40 xi	375	400	127.37	88.91	43.26%	2
Trade payables turnover ratio (in times)	26	19,478	10,882	39 xiii	5,334	3,535	3.65	3.08	18.62%	1
Return on equity (in %)	39 ii	2,161	1,795	39 vii	10,053	8,103	21.50%	22.15%	(2.95%)	1
Return on capital employed (in %)	39 iii	3,406	2,856	39 xiv	15,628	13,474	21.79%	21.20%	2.28%	
Net profit ratio (in %)	39 iii	2,161	1,795	23	47,783	35,521	4.52%	5.05%	(10.49%)	
Debt service coverage ratio (in times)	39 viii	3,478	2,782	39 x	942	2,468	3.69	1.13	227.50%	3

A - 31 March 2024; B - 31 March 2023; NA - Not Applicable.

#### Reference

i. Total of current assets ii. Profit after tax iii. Profit before tax plus finance cost iv. Total of current liabilities v. Average of trade receivables vi. Average of working capital vii. Average of total equity viii. Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other non cash adjustments ix. Total equity x. Lease liabilities and Borrowing paid during the year (including interest paid) xi. Average of inventories xii. Net Credit Purchases during the year xiii. Average of trade payables xiv. Total equity, total borrowings and total lease liabilities.

#### Explanation

1. Variances are below 25%, hence no explanation is required
2. The variance is on account of increase in purchases, however reduction in inventory levels as at the year end.
3. The variance is on account of increase in cash profits.

- (b) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (c) No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (d) The Company has not availed borrowings from banks or financial institutions on the basis of security of current assets. Hence, no statements are filed by the Company with banks and financial institutions.
- (e) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (f) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.



## Summary of material accounting policies and other explanatory information

₹ in Lakhs

- (g) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (h) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (i) The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

### 40. Contingent liabilities

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>a) Claims not acknowledged as debt</b>		
Sales tax (including Goods & services tax)	1,174	249
Income tax	1,836	1,717
Customs duty	236	236
Others	76	77
	<b>3,322</b>	<b>2,279</b>

Note : (1) Sales Tax significantly represents claims against the company towards dispute on tax rates considered for certain services rendered by the company and non-realisation of export proceeds.

(2) As at 31 March 2024, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹ 1,836 Lakhs (₹ 1,717 Lakhs as at 31 March 2023). The claims against the Company majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as prior period expenses, Depreciation on Lease hold Improvements, application software, goodwill, IPO expenses, disallowances of profits earned by STPI unit, and certain provisions for employee benefits. Amount paid to statutory authorities against the tax claims amounted to ₹ 1,836 Lakhs and ₹ 1,717 Lakhs as at March 31, 2024 and March 31, 2023, respectively.

(3) Customs duty represents, claims against the company towards dispute on duty rates considered for import of certain goods. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

(4) Others represents, legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

### b) Show Cause Notice from SEBI

During the year 2021-22, the Company had received a show cause notice from SEBI under sections 11(1), 11(4), 11(4A), 11 B(1) and 11 B(2) read with 15HA and 15HB of the Securities Exchange Board of India Act, 1992 ('SEBI Act'), and Rule 4(1) of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and Sections 12A(1), 12A(2) read with 23E and 23H of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and Rule 4(1) of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 in the matter of alleged mis-representation of financials / manipulation of books of accounts of Inspirisys Solutions Limited, in relation to FY 2012-13 to FY 2015-16 which was duly corrected and reported in earlier years. In this regard, SEBI has issued a Final Order dated September 20, 2023 and imposed a penalty amount of Rs.10 Lacs on the Company under Section 15HB of the SEBI Act and Section 23E of SCRA, which was paid by the Company. Further, penalties were also imposed by SEBI on certain current and ex-employees/officers of the Company on account of aforesaid matter which have been duly paid by such persons.

## Summary of material accounting policies and other explanatory information

### 41. Commitments

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023

Capital commitments	8	-
Capital commitments represents payable towards purchase of a software under a non-cancellable contract. All other commitments are cancellable at the option of the company and hence not disclosed.		

42. The Company is in receipt of resignation letter from one of the Independent directors, Mr Raj Khalid, due to his name appearing in the list of disqualified directors released by the Registrar of companies, Mumbai on 7 September 2017 and 3 February 2020, for reasons as more particularly provided therein. The Board of Directors has taken record of his resignation with effect from 30 April 2023 basis the resignation letter submitted and has taken required steps in reconstituting its committees where such director was a member. The management is of the view that the stated events do not have a material impact on these financial statements or functioning of the company.

### 43. Corporate Social Responsibility

Particulars	As at	As at
	31 March 2024	31 March 2023

Amount required to be spent as per section 135 of the Act	24	18
a) Gross amount required to be spent by the company during the year	24	18
b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above (refer note : 30)	24	18
c) Shortfall/(Excess) spent at the end of the year	-	-
d) Details of related party transactions	-	-
e) Whether any provision made based on contractual obligation to undertake CSR activity	-	-

### 44. Overseas branch operations

The Company has a branch at Singapore; whose financial information is translated into Indian rupees and included against each line item in the standalone financial statements of the Company. The summary of the Branch's financials are as follows:

Particulars	31 March 2024		31 March 2023	
	in USD	in ₹	in USD	in ₹
Revenue	-	-	1.57	126
Profit	(0.51)	(42.36)	0.23	18
Total assets	1.47	122.39	6.97	573
Net assets	1.37	114.55	6.89	566

This space is intentionally left blank

## Summary of material accounting policies and other explanatory information

### 45. Audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company is using CSMS a sub system for contract management. Data from CSMS sub-system is entered into Oracle ERP system by way of a manual entry. Whilst the company has enabled the audit trail feature for Oracle ERP system, the feature was not available in the CSMS sub-system at both application and database level for the year ended 31 March 2024. Subsequently, audit trail feature is added and enabled from 08 May 2024.

The Company is using iCSMS a sub system for maintenance of inventory and call management records. The inventory valuation data is entered into Oracle ERP system by way of a manual entry. Whilst the company has enabled the audit trail feature for Oracle ERP system, the feature was not enabled in the iCSMS sub-system at both application and database level for inventory valuation, Goods Inward Receipt Note (GIRN) and Stores transactions for the year ended 31 March 2024. Subsequently, audit trail feature is enabled from 08 May 2024.

### 46. Events after the reporting period

No adjusting or significant non-adjusting events have occurred since the reporting date other than those disclosed.

#### Notes 1 to 46 form an integral part of these standalone financial statements

This is the summary of the material accounting policies and other explanatory information referred to in our report of even date.

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

**Mehulkumar Sharadkumar Janani**  
Partner  
Membership No: 118617

**Place :** Chennai  
**Date :** 10 May 2024

For and on behalf of the Board of Directors of

**Inspirisys Solutions Limited**

**Murali Gopalakrishnan**  
Executive Director & Chief Executive Officer  
DIN: 08066529

**Balaji Ramanujam**  
Chief Financial Officer

**Place :** Chennai  
**Date :** 10 May 2024

**Rajesh Ramniklal Muni**  
Director  
DIN: 00193527

**S Sundaramurthy**  
Company Secretary

**Place :** Chennai  
**Date :** 10 May 2024

**FORM AOC - 1**  
**(PURSUANT TO FIRST PROVISO TO SUB SECTION(3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)**  
**STATEMENT CONTAINING SAILENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES.**

₹ in Lakhs

Sl. No.	1	2	3	4	5	6
Name of the Subsidiary	Inspirisys Solutions DMCC	Inspirisys Solutions North America Inc	Inspirisys Solutions Europe Limited	Inspirisys Solutions Japan KK	Network Programs USA Inc	Inspirisys Solutions IT Resources Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	As on 31-03-2024	As on 31-03-2024	As on 31-03-2024	As on 31-03-2024	As on 31-03-2024	As on 31-03-2024
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 31-03-2024 - ₹ 22.70	USD - Exchange Rate as on 31-03-2024 - ₹ 83.37	GBP - Exchange Rate as on 31-03-2024 - ₹ 105.29	JPY - Exchange Rate as on 31-03-2024 - ₹ 0.55	USD - Exchange Rate as on 31-03-2024 - ₹ 83.37	INR
Share capital	68	547	21	102	42	300
Reserves & surplus	(61)	(6,912)	(377)	(1,301)	(581)	(300)
Total assets	59	1,655	1	2	485	-
Total Liabilities	51	8,020	357	1,201	1,024	-
Investments	-	-	-	-	-	-
Turnover	5,382	2,769	6	-	-	-
Profit before taxation	3,213	(4,118)	6	(90)	(26)	(36)
Provision for taxation	-	-	-	-	-	-
Profit after taxation	3,213	(4,118)	6	(90)	(26)	(36)
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 of

**Murali Gopalakrishnan**  
Executive Director & Chief Executive Officer  
DIN: 08066529

**Rajesh Ramniklal Muni**  
Director  
DIN: 00193527

**Balaji Ramanujam**  
Chief Financial Officer

**S Sundaramurthy**  
Company Secretary

**Place : Chennai**  
**Date : 10 May 2024**

**Place : Chennai**  
**Date : 10 May 2024**

## Independent Auditor's Report

### To the Members of Inspirisys Solutions Limited

#### Report on the Audit of the Consolidated Financial Statements

##### Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Inspirisys Solutions Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, 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 notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

##### Basis for Qualified Opinion

3. As detailed in Note 7(c) to the consolidated financial statements, the Holding Company has reported an amount of ₹ 4,049 Lakhs as trade receivables from its wholly owned subsidiary, Inspirisys Solutions North America, Inc., USA as at 31 March 2024 which are significantly over-due. Further due to non-realization of aforesaid trade receivables within the prescribed time limits, the Holding Company is in non-compliance with Clause C.20 of the Master Direction - Export of Goods and Services (Updated as on November 22, 2022) ("Master Direction") and is liable to pay Goods and Service Tax (GST) liability along with interest and penalty on such export sales in accordance with sub rule 1 of 96A of CGST rules.

The impact of non-compliance with the Master Direction for non-realization of export proceeds within stipulated timeline has been determined by the Management to be immaterial to the consolidated financial statements. The management is confident of recovering the aforesaid receivables from the subsidiary based on the business plans as detailed out in the management note and accordingly, no provision is recognized towards aforesaid GST liability including interest and penalty. However, in the absence of sufficient appropriate audit evidences regarding the timing and extent of cash flows that will be available with the subsidiary to settle these dues, we are unable to comment upon the impact on GST liability, including penalty and interest that may be levied and the consequential impact thereof, if any, on the accompanying consolidated financial statements.

Our report on audited consolidated financial statements for the year ended 31 March 2023 has been qualified in this regard.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, 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 consolidated 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

##### Key Audit Matter

5. 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 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.
6. In addition to the matters described in the Basis for Qualified Opinion, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b><u>Recoverability assessment of trade receivables</u></b></p> <p>Refer note 2(s) for accounting policy for impairment of trade receivables and note 38(e) for credit risk disclosures.</p> <p>The Holding Company has reported trade receivables of ₹ 11,289 Lakhs as at 31 March 2024 and expected credit losses allowance of ₹ 1,398 Lakhs as detailed in note 7 of the accompanying consolidated financial statements.</p> <p>Due to customer profile, the Holding 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 expected lifetime expected credit loss model as prescribed by Ind AS 109: 'Financial Instruments', which involves significant management judgements and estimates.</p> <p>Considering the materiality of trade receivables balances to the Holding Company's financial statements and the multiple estimates and judgements involved in the estimation of expected credit losses, this matter is considered as a key audit matter for the current year audit.</p>	<p>Our audit procedures in relation to recoverability assessment of trade receivables included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained a detailed understanding of revenue recognition and receivables provisioning policies, design of controls and how they are being applied.</li> <li>• Tested the design and operating effectiveness of controls that the Holding Company has established in relation to revenue recognition.</li> <li>• On a sample basis, we rolled out and obtained direct receivables confirmations from the customers of the Holding Company having outstanding receivable balances as at balance sheet date, for ensuring the acknowledgement of debt by the customer.</li> <li>• Where responses to direct confirmations were not received, subsequent realization of the outstanding invoices or customer acknowledgement of goods received, or services rendered was assessed to ensure the acknowledgement of debt by the customer.</li> <li>• We tested the expected credit loss model including assumptions and underlying computation basis past historical results and our understanding of the business.</li> <li>• We also tested and considered analysis of ageing of receivables and payments received subsequent to year end to identify potentially impaired balances.</li> <li>• Ensured appropriateness and adequacy of disclosures made in the financial statements with respect to the trade receivables and provisioning thereof in accordance with applicable accounting standards</li> </ul>

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

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

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

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

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

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

- The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position,

consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are 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 of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Board of Directors of the Holding Company, as aforesaid.

- In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

11. 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.
12. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act 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 with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

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

15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

16. We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 2,202 lakhs as at 31 March 2024, total revenues of ₹ 8,157 lakhs and net cash inflows amounting to ₹ 62 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 are 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 matter with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

17. 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 16, on separate financial statements of the subsidiaries, we report that the Holding Company, has paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company incorporated in India whose financial statements have been audited under the Act has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
19. 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 incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
  - a) We have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the 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, except for the possible effects of the matter described in paragraph 3 of the Basis for Qualified Opinion section and except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - c) 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;
  - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
  - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 3 of the Basis for Qualified Opinion section, paragraph 19(b) above on reporting under section 143(3) (b) of the Act and paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed a modified opinion; and
- 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 and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 40 to the consolidated financial statements;
  - ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries covered under the Act, during the year ended 31 March 2024;
  - iv. a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief as disclosed in note 45(f) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited



under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 45(f) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. The Holding Company and its subsidiaries have not declared or paid any dividend during the year ended 31 March 2024.
- vi. As noted in Note 47 to the accompanying consolidated financial statements and based on our examination which included test checks and that performed by the respective auditor of the subsidiary of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary, in respect of financial year commencing on or after 1 April 2023, have used an accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditor of the above referred subsidiary did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below:

Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at application and database level for iCSMS a sub-system used for maintenance of inventory and call management to log any data changes.
---	---

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

**Mehulkumar Sharadkumar Janani**  
Partner  
Membership No.: 118617  
UDIN: 24118617BKBFFM4423

**Place:** Chennai  
**Date:** 10 May 2024

**Annexure - I**  
**List of subsidiaries included in the consolidated financial statements**

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

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility.	The sub system CSMS used for contract management by the Holding Company did not have a feature of recording audit trail (edit log) facility at the application and database level.

**Annexure A to the Independent Auditor's Report of even date to the members of Inspirisys Solutions Limited on the Consolidated financial statements for the year ended 31 March 2024.**

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

1. In conjunction with our audit of the consolidated financial statements of Inspirisys Solutions Limited ('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 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company, which are companies covered under the Act, as at that date.

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary 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') prescribed under Section 143(10) of the Act, to the extent

applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

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

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

#### **Qualified opinion**

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company internal financial controls with reference to financial statements as at 31 March 2024;
  - a) The Holding Company's internal financial controls system with respect to accrual of Goods and Service Tax (GST) liability on export sales to affiliates were not operating effectively, which could lead to a potential material misstatement in the value of Goods and Service Tax liability including interest and penalty that may be levied, and its consequential impact on the earnings, other equity and related disclosures in the accompanying consolidated financial statements.
9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as of 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued

by The Institute of Chartered Accountants of India and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2024.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2024, and this material weakness has affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the consolidated financial statements.

#### **Other Matter**

12. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which are companies covered under the Act, whose financial statements reflect total assets of ₹ Nil and net assets of ₹ Nil as at 31 March 2024, total revenues of ₹ Nil and net cash outflow amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company, have been audited by other auditors whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, and its subsidiary 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 Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### **Mehulkumar Sharadkumar Janani**

Partner

Membership No.: 118617

UDIN: 24118617BKBFFM4423

**Place:** Chennai

**Date:** 10 May, 2024

**Consolidated Balance Sheet as at 31 March 2024**

₹ in Lakhs

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
- Property, plant and equipment	4	464	450
- Goodwill	4	542	542
- Other intangible assets	4	299	363
- Intangible assets under development	4	81	42
Right-of-use assets	5	59	204
Financial assets			
- Investments	6	-	-
- Trade receivables	7	73	39
- Other financial assets	8	60	198
Deferred tax assets (net)	9	-	-
Income tax assets (net)	10	3,091	3,199
Other non-current assets	11	1,199	741
		<b>5,868</b>	<b>5,778</b>
<b>Current assets</b>			
Inventories	12	386	364
Financial assets			
- Trade receivables	7	9,818	8,348
- Cash and cash equivalents	13(a)	4,773	3,081
- Bank balances other than cash and cash equivalents	13(b)	1,137	122
- Other financial assets	8	679	697
Other current assets	11	3,573	2,813
Discontinued Operations - Assets held as sale	35	59	-
		<b>20,425</b>	<b>15,425</b>
<b>TOTAL ASSETS</b>		<b>26,293</b>	<b>21,203</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	3,962	3,962
Other equity	15	(1,033)	(4,799)
<b>Total equity</b>		<b>2,929</b>	<b>(837)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	16	584	553
- Lease liabilities	17	15	77
Provisions	18	87	921
		<b>686</b>	<b>1,551</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	16	8,135	9,715
- Lease liabilities	17	54	159
- Trade payables	19	-	-
Total outstanding dues of micro and small enterprises; and		186	166
Total outstanding dues of creditors other than micro and small enterprises		5,930	4,623
- Other financial liabilities	20	3,368	2,837
Other current liabilities	21	4,685	2,703
Provisions	18	269	286
Discontinued Operations - Liabilities related to assets held for sale	35	51	-
		<b>22,678</b>	<b>20,489</b>
<b>Total liabilities</b>		<b>23,364</b>	<b>22,040</b>
<b>Total equity and liabilities</b>		<b>26,293</b>	<b>21,203</b>

**Notes 1 to 48 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 Chandio & Co LLP**  
 Chartered Accountants  
 Firm Registration No. 001076N/N500013

**Mehulkumar Sharadkumar Janani**  
 Partner  
 Membership No: 118617

**Place : Chennai**  
**Date : 10 May 2024**

 For and on behalf of the Board of Directors of  
**Inspirisys Solutions Limited**

**Murali Gopalakrishnan**  
 Executive Director & Chief Executive Officer  
 DIN: 08066529

**Balaji Ramanujam**  
 Chief Financial Officer  
**Place : Chennai**

**Date : 10 May 2024**

**Rajesh Ramniklal Muni**  
 Director  
 DIN: 00193527

**S Sundaramurthy**  
 Company Secretary  
**Place : Chennai**

**Date : 10 May 2024**

**Consolidated Statement of Profit and Loss for the year ended 31 March 2024**

₹ in Lakhs

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Continuing operations</b>			
<b>INCOME</b>			
Revenue from operations	22	49,049	37,167
Other income	23	373	487
<b>Total income</b>		<b>49,422</b>	<b>37,654</b>
<b>EXPENSES</b>			
Cost of raw materials consumed	24	-	4
Purchases of stock-in-trade	25	19,478	10,881
Changes in inventories of stock in trade and finished goods	26	(22)	68
Employee benefits expense	27	12,264	11,371
Impairment losses	28	293	140
Other expenses	29	13,850	11,809
<b>Total expenses</b>		<b>45,863</b>	<b>34,273</b>
<b>Earnings before finance cost, depreciation and amortization expenses from continuing operations</b>		<b>3,559</b>	<b>3,381</b>
Finance costs	30	1,058	778
Depreciation and amortization expense	31	458	557
<b>Profit before tax from continuing operations</b>		<b>2,043</b>	<b>2,046</b>
<b>Tax expense</b>			
Current tax	32	497	411
Deferred Tax		-	-
<b>Profit after tax from continuing operations</b>		<b>1,546</b>	<b>1,635</b>
<b>Discontinued operation</b>			
Loss on discontinued operations	35	(1,179)	(1,889)
<b>Tax expense of discontinued operation</b>			
Current tax		-	-
Deferred Tax		-	-
<b>Loss on Discontinued Operations</b>		<b>(1,179)</b>	<b>(1,889)</b>
<b>Profit for the year</b>		<b>367</b>	<b>(254)</b>
<b>Other comprehensive income</b>			
<b>i) Items that will not be reclassified to profit and loss</b>			
- Re-measurement of post employment benefit obligation, net		(69)	(84)
- Income tax relating to items that will not be reclassified to profit and loss		20	22
<b>ii) Items that will be reclassified to profit or loss</b>			
- Exchange difference on translation of continuing operations		105	(518)
- Exchange difference on translation of discontinued operations		52	(64)
- Income tax relating to translation of foreign operations		(1)	(18)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>107</b>	<b>(662)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>474</b>	<b>(916)</b>
<b>Profit / (loss) from continuing operations attributable to:</b>			
Owners of the Company		1,546	1,635
Non-controlling interest		-	-
<b>Profit/ (loss) from discontinued operations attributable to:</b>			
Owners of the Company		(1,179)	(1,889)
Non-controlling interest		-	-

**Consolidated Statement of Profit and Loss for the year ended 31 March 2024**

₹ in Lakhs

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Total Profit/ (loss) from continuing and discontinued operations attributable to:</b>			
Owners of the Company		367	(254)
Non-controlling interest		-	-
		<b>367</b>	<b>(254)</b>
<b>Other comprehensive income/ (loss) attributable to:</b>			
Owners of the Company		107	(662)
Non-controlling interest		-	-
		<b>107</b>	<b>(662)</b>
<b>Total comprehensive income/ (loss) attributable to:</b>			
Owners of the Company		474	(916)
Non-controlling interest		-	-
		<b>474</b>	<b>(916)</b>
<b>Earnings per equity share (continuing operations)</b>	33		
Basic and diluted (in ₹)		3.90	4.13
Nominal value of equity shares (in ₹)		10.00	10.00
<b>Earnings per equity share (discontinued operations)</b>	33		
Basic and diluted (in ₹)		(2.98)	(4.77)
Nominal value of equity shares (in ₹)		10.00	10.00
<b>Earnings per equity share for continuing and discontinued operations</b>	33		
Basic and diluted (in ₹)		0.93	(0.64)
Nominal value of equity shares (in ₹)		10.00	10.00

**Notes 1 to 48 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

**Mehulkumar Sharadkumar Janani**  
Partner  
Membership No: 118617

**Place :** Chennai  
**Date :** 10 May 2024

 For and on behalf of the Board of Directors of  
**Inspirisys Solutions Limited**

**Murali Gopalakrishnan**  
Executive Director & Chief Executive Officer  
DIN: 08066529

**Balaji Ramanujam**  
Chief Financial Officer

**Place :** Chennai  
**Date :** 10 May 2024

**Rajesh Ramniklal Muni**  
Director

DIN: 00193527

**S Sundaramurthy**  
Company Secretary

**Place :** Chennai  
**Date :** 10 May 2024

## Consolidated Statement of Cash Flows for the year ended 31 March 2024

₹ in Lakhs

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,043	2,046
<b>Adjustments for:</b>		
Depreciation and amortization expense	458	557
Income on reversal of lease liabilities	-	(28)
Interest expense (including changes in financial instruments)	1,058	778
Interest income	(157)	(64)
Impairment losses	293	140
Liquidated damages	181	101
Net unrealised foreign exchange (gain)	(378)	(147)
(Reversal) of gratuity and compensated absences	(649)	(125)
Provision for inventory obsolescence	(57)	(9)
Profit on sale of property, plant and equipment	-	(3)
Provision for warranty	70	95
Bad debts written off	20	20
Liabilities no longer required written back	-	(135)
Interest on income tax refund	(30)	(44)
<b>Operating profit before working capital changes</b>	<b>2,852</b>	<b>3,182</b>
<b>Adjustments for:</b>		
Increase in trade payables	2,351	2,642
Increase / (decrease) in other financial liabilities	1,156	(767)
Increase / (decrease) in other current liabilities	1,206	(367)
Decrease in inventories	35	80
(Increase) in trade receivables	(3,138)	(3,255)
Decrease / (increase) in other financial assets	433	(278)
(Increase) in other non-current assets	(591)	(139)
(Increase) / decrease in other current assets	(1,333)	1,109
<b>Cash generated from operating activities</b>	<b>2,971</b>	<b>2,207</b>
Direct taxes (paid) / refund received, net	(341)	174
<b>Net cash generated from/(used in) operating activities from continuing operations</b>	<b>2,630</b>	<b>2,381</b>
<b>Net cash generated from/(used in) operating activities from discontinued operations</b>	<b>247</b>	<b>(562)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(396)	(254)
Proceeds from sale of property, plant and equipment and other intangible assets	-	3
Interest received	157	64
Net movement in bank deposits	(1,015)	216
<b>Net cash generated (used in) / from investing activities from continuing operations</b>	<b>(1,254)</b>	<b>29</b>
<b>Net cash generated (used in) / from investing activities from discontinued operations</b>	<b>-</b>	<b>-</b>
<b>C. Cash flow from financing activities</b>		
Proceeds short term borrowings, net (Refer Note 16(e))	157	359
Proceeds from long term borrowings (Refer Note 16(e))	1,440	-
Repayment of long term borrowings (Refer Note 16(e))	(26)	(414)
Principal elements of lease payments	(168)	(271)
Interest paid	(1,058)	(758)
<b>Net cash generated from/(used) in financing activities from continuing operations</b>	<b>345</b>	<b>(1,084)</b>
<b>Net cash generated from/(used) in financing activities from discontinued operations</b>	<b>(248)</b>	<b>-</b>
<b>D. Net change in cash and cash equivalents</b>	<b>1,720</b>	<b>764</b>
E. Cash and cash equivalents at the beginning	3,081	2,183
Effects of foreign currency translation	(28)	134
<b>F. Cash and cash equivalents at the end</b>	<b>4,773</b>	<b>3,081</b>
<b>Cash and cash equivalents include:</b>		
Cash on hand	4	4
Cash in transit	75	-
Balances with banks - in current accounts	4,694	3,077
<b>Cash and cash equivalents (Also refer note 13)</b>	<b>4,773</b>	<b>3,081</b>
<b>Notes 1 to 48 form an integral part of these consolidated financial statements</b>		

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

**For Walker Chandio & Co LLP**

Chartered Accountants  
Firm Registration No. 001076N/N500013

**Mehulkumar Sharadkumar Janani**

Partner  
Membership No: 118617

Place : Chennai

Date : 10 May 2024

For and on behalf of the Board of Directors of  
**Inspirisys Solutions Limited**

**Murali Gopalakrishnan**

Executive Director & Chief Executive Officer  
DIN: 08066529

**Balaji Ramanujam**

Chief Financial Officer

Place : Chennai

Date : 10 May 2024

**Rajesh Ramniklal Muni**

Director

DIN: 00193527

**S Sundaramurthy**

Company Secretary

Place : Chennai

Date : 10 May 2024

## Consolidated Statement of Changes in Equity for the year ended 31 March 2024

₹ in Lakhs

Particulars	Equity share capital	Reserves and Surplus						Other Equity				Total	
		General reserve	Retained Earnings	Securities Premium	Re-measurement of post employment benefit obligation	Foreign currency translation reserves	Contribution from Parent Company	Total other equity	Others				
<b>Balances as at 01 April 2022</b>	3,962	859	(15,892)	11,555	(122)	(283)	-	(3,883)	79			(254)	(662)
Profit / (loss) for the year	-	-	(254)	-	-	-	-	(254)	-	-	-	(254)	(662)
Other comprehensive income, net of tax	-	-	-	-	(62)	(600)	-	(662)	-	-	-	(662)	(662)
<b>Total comprehensive income for the year</b>	-	-	(254)	-	(62)	(600)	-	(916)	-	-	-	(916)	(916)
<b>Balances as at 31 March 2023</b>	3,962	859	(16,146)	11,555	(184)	(883)	-	(4,799)	(837)			3,292	3,292
Additions for the year	-	-	-	-	-	-	-	-	-	-	3,292	3,292	3,292
Profit / (loss) for the year	-	-	367	-	-	-	-	367	-	-	-	367	367
Other comprehensive income, net of tax	-	-	-	-	(49)	156	-	107	156	-	-	107	107
<b>Total comprehensive income for the year</b>	-	-	367	-	(49)	156	-	3,766	156	-	3,292	3,766	3,766
<b>Balances as at 31 March 2024</b>	3,962	859	(15,779)	11,555	(233)	(727)	-	(1,033)	(727)	-	3,292	(1,033)	2,929

### Notes 1 to 48 form an integral part of these Consolidated financial statements

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

**For Walker Chandiook & Co LLP**

Chartered Accountants  
Firm Registration No. 001076N/N500013

**Mehulkumar Sharadkumar Janani**  
Partner  
Membership No: 118617

**Place :** Chennai  
**Date :** 10 May 2024

For and on behalf of the Board of Directors of  
**Inspirisys Solutions Limited**

**Murali Gopalakrishnan**  
Executive Director & Chief Executive Officer  
DIN: 08066529

**Balaji Ramanujam**  
Chief Financial Officer  
**Place :** Chennai  
**Date :** 10 May 2024

**Rajesh Ramnikal Muni**  
Director  
DIN: 00193527

**S Sundaramurthy**  
Company Secretary  
**Place :** Chennai  
**Date :** 10 May 2024



## Summary of material accounting policies and other explanatory information

### 1 Background

Inspirisys Solutions 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.

The Consolidated financial statements were approved by the Board of Directors and authorized for issue on 10 May 2024.

### 2 Summary of material accounting policies

#### a) Basis of preparation and presentation of consolidated financial statements

The consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial assets and liabilities which are measured at fair values, the provisions of the Companies Act, 2013 (“the Act”) (to the extent notified) and guidelines issued by the Securities and Exchange

Board of India (SEBI). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments rules issued thereafter.

The financial statements of the Group are prepared in Indian Rupee (₹), which is also the functional currency of the Group. All amounts have been rounded-off to the nearest 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. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the current year classification.

#### 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 2024. 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
Inspirisys Solutions DMCC, UAE,	100%	ISDMCC	Established as a wholly owned subsidiary enterprise as per the license by DMCC, Dubai.
Network Programs (USA), Inc., USA	100%	NPUS	Incorporated under the laws of the State of Delaware, USA.
Inspirisys Solutions Japan Kabushiki Kaisha, Japan	100%	ISJJK	Incorporated under the laws of Japan in Tokyo, Japan.
Inspirisys Solutions North America, Inc., USA	100%	ISNA	Incorporated under the laws of the State of California, USA.
Inspirisys Solutions IT Resources Limited, India	100%	ISITRL	Incorporated under the laws of India.
Inspirisys Solutions Europe Limited, UK	100%	ISEL	Incorporated under the laws of United Kingdom.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Ind AS 110 - Consolidated Financial Statements and accounting standards as specified in the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses resulting from intra-group transactions are also eliminated except to the extent

recoverable value of related assets is lower than their cost to the Group. Profit or loss of subsidiaries acquired or disposed during the year is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date the control ceases.

## Summary of material accounting policies and other explanatory information

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.

### b) Use of estimates and judgements

The preparation of the consolidated 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**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of

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

#### **Recognition of deferred tax assets and income tax treatments**

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

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

#### **Capitalisation of internally developed intangible assets**

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

## Summary of material accounting policies and other explanatory information

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

Inventories are stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined on weighted average basis for raw materials, stock in trade and finished goods and includes expenditure incurred in the normal course of business in bringing inventories to its location and condition, where applicable. Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision/write off is made for such inventories.

### 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	3 - 6
Furniture and fittings	10
Office equipment	5
Plant and machinery	15
Leasehold improvements	Over primary Lease term
Vehicles	5

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. The useful lives of these assets are in line with the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

## Summary of material accounting policies and other explanatory information

### e) Intangible assets

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

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

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

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

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

Particulars	Useful life
Software	7 years
Goodwill	Infinite

### f) Impairment of intangible assets

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

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

### g) Revenue recognition

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

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

- 1 Identifying the contract with customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

A performance obligation is satisfied over time if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;

(b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced ; or

(c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

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

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

#### **System Integration (Product / Hardware)**

System Integration division carries out sale of servers, IT and Network related products and software across India based on contracts with the customers.

## Summary of material accounting policies and other explanatory information

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

### **Services (Infra, Security, Cloud and Software)**

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

- Under fixed price maintenance and support services, the performance obligations relating to the service are satisfied over a period of time and the revenue is recognised on a straight line basis over the period of contract, net of expected liquidated damages or deductions.
- Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as contract assets. 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.

Contract assets are recognised when there is an excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Other contract assets have been disclosed as contract assets within other assets. Unearned and deferred revenue (“contract liability”) is recognised when there are billings in excess of revenues. The billing schedules agreed with customers could include periodic performance based payments and/or milestone-based progress payments. Invoices are payable within contractually agreed credit period. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

### **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.

### **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.

### **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

## Summary of material accounting policies and other explanatory information

value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

### (ii) Compensated absences

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

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

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

### Short-term employee benefits

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

## l) Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily

determined, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months and low value lease. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 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.

## Summary of material accounting policies and other explanatory information

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).

### 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 branch in 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

## Summary of material accounting policies and other explanatory information

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



## Summary of material accounting policies and other explanatory information

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.

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.

## Summary of material accounting policies and other explanatory information

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, except trade receivables.

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.

Default is considered to exist when the counter party fails to make the contractual payment within 30 days of when they fall due.

A trade receivable is considered to be credit impaired when the management considers the amount to be non recoverable.

Significant increase in credit risk is said to have occurred when the recoverability has not occurred post 90 days of becoming due.

### **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

## Summary of material accounting policies and other explanatory information

future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs)

### v) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks and on hand which are unrestricted for withdrawal and usage. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has identified the following as reportable segments: a) System integration (SI) (Products / Hardware) Solutions comprising supply, installation, commissioning of network design, hardware, software and related services, b) Services (Infra, Security, Cloud, Software), c) Warranty management services (WMS).

Per Para 4 of Ind AS 108 Operating Segments, when entity's financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Hence segment information is disclosed as part of consolidated financial statements for the year ended 31 March 2024..

### 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.

## Summary of material accounting policies and other explanatory information

### 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

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 2024 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.

### aa) Measurement of profit / Earnings before finance cost, depreciation and amortization expenses (EBITDA)

As permitted by the Guidance Note on division II - IND AS Schedule III to the act, the Company has elected to present Earnings before finance cost, depreciation and amortization expense (EBITDA) as a separate line item on the face of the consolidated statement of profit and loss.

In its measurement of EBITDA, the Company includes other income but does not include depreciation and amortisation expense, finance cost and tax expense.

### ab) Discontinued Operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical areas of operations and

- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or

- is a subsidiary acquired exclusively with a view to re-sale.

Classification of discontinued operation occurs upon disposal or when the operations meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as discontinued operation, the comparative statement of profit and loss is represented as if the operation had been discontinued from the start of the comparative period.

### 3. 3. Recent accounting pronouncements and other Latest regulatory updates

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company. The company adopted Disclosure of Accounting (amendment to Ind AS 1) from April 1, 2023. Although the amendment did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the standalone financial statement.

The amendment requires the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the standalone financial statement.

## Summary of material accounting policies and other explanatory information

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	Softwares	Under development	
<b>Gross block</b>											
Balance as at 01 April 2022	437	144	149	93	1,760	167	2,750	1,666	1,576	-	
Additions	6	-	12	30	143	21	212	-	-	42	
Disposals	(52)	(5)	-	-	-	(13)	(70)	-	-	-	
<b>Balance as at 31 March 2023</b>	<b>391</b>	<b>139</b>	<b>161</b>	<b>123</b>	<b>1,903</b>	<b>175</b>	<b>2,892</b>	<b>1,666</b>	<b>1,576</b>	<b>42</b>	
Additions	14	-	-	11	170	58	253	-	11	130	
Deletions	-	-	-	-	(22)	(24)	(46)	-	-	-	
<b>Balance as at 31 March 2024</b>	<b>405</b>	<b>139</b>	<b>161</b>	<b>134</b>	<b>2,051</b>	<b>209</b>	<b>3,099</b>	<b>1,666</b>	<b>1,587</b>	<b>172</b>	
<b>Accumulated depreciation/amortization</b>											
Balance as at 01 April 2022	354	83	129	76	1,523	101	2,266	1,124	1,142	-	
Charge for the year	24	22	7	12	150	31	246	-	71	-	
Reversal on deletions	(52)	(5)	-	-	-	(13)	(70)	-	-	-	
<b>Balance as at 31 March 2023</b>	<b>326</b>	<b>100</b>	<b>136</b>	<b>88</b>	<b>1,673</b>	<b>119</b>	<b>2,442</b>	<b>1,124</b>	<b>1,213</b>	<b>-</b>	
Charge for the year	45	5	4	11	134	40	239	-	75	-	
Impairment loss for the year (Also, refer note 28)	-	-	-	-	-	-	-	-	-	91	
Reversal on deletions	-	-	-	-	(22)	(24)	(46)	-	-	-	
<b>Balance as at 31 March 2024</b>	<b>371</b>	<b>105</b>	<b>140</b>	<b>99</b>	<b>1,785</b>	<b>135</b>	<b>2,635</b>	<b>1,124</b>	<b>1,288</b>	<b>91</b>	
<b>Net Block</b>											
Balance as at 31 March 2023	65	39	25	35	230	56	450	542	363	42	
Balance as at 31 March 2024	34	34	21	35	266	74	464	542	299	81	

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### (a) Property, plant and equipment pledged as security

All the vehicles are pledged as a security. (Also refer note 16).

Particulars	31 March 2024		31 March 2023	
	Gross block	Net block	Gross block	Net block
Vehicles	209	74	142	40
<b>Total</b>	<b>209</b>	<b>74</b>	<b>142</b>	<b>40</b>

(b) There are no proceedings that has been initiated or pending against the Group under the Prohibition of Benami Transactions Act, 1988 as amended as the Group does not hold any benami properties.

### (c) Intangibles under development (IUD)

Intangibles under development represents the internally developed software which will be used to earn licensing income.

#### i) Ageing schedule

Intangible assets under development*	As at 31 March 2024				As at 31 March 2023			
	Amount in Intangible assets under development for a period of				Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	81	-	-	-	42	-	-	-

\*None of the intangibles under development is suspended

There is no CWIP whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2024 and 31 March 2023.

### (d) Goodwill

The goodwill arose on account of purchase of a specific software business included in the services division (Cash Generating Unit - CGU). The useful life of the goodwill is estimated to be indefinite since the economic benefit to be derived from the asset cannot be restricted to definite period. As required by Ind AS, the Company has performed impairment test on a yearly basis using the value in use method. The calculations use cash flow projections based on the financial budgets approved by the management covering a five year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which the CGU operates. Following is the key assumptions used by the management to calculate the value in use. The recoverable value of the CGU is more than the carrying value as at 31 March 2024 of CGU, accordingly there is no impairment provision made during the year.

Particulars	Services division
Sales growth rate (%)	10-15
Long term growth rate (%)	2
Budgeted EBIDTA (%)	13-14
Budgeted EBIT (%)	12-13
Discount rate (%)	17.79

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.
Discount rate	Reflects specific risks relating to the business and the country in which they operate.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>5 Right-of-use asset</b>		
Balance at the beginning of the year	204	386
Additions*	-	107
Deletions*	-	(41)
Depreciation of right-of-use assets (Also, refer note 31)	(145)	(243)
Exchange loss	-	(5)
<b>Balance as at the end of the year</b>	<b>59</b>	<b>204</b>

\* There has been no addition and deletion in Right-of-use assets during current year.

Particulars	Number	Face value	As at	As at
			31 March 2024	31 March 2023
<b>6 Non-current Investments</b>				
<b>Investments carried at fair value through profit and loss</b>				
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)
<b>Total Non - current investments</b>			<b>-</b>	<b>-</b>
Aggregate amount of unquoted investments			30	30
Aggregate amount of impairment in value of investments			(30)	(30)

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
<b>7 Trade receivables</b>				
<b>(Unsecured, considered good unless otherwise stated)</b>				
a) Receivables - considered good (Also, refer note 36 (c))	73	11,216	39	10,266
	73	11,216	39	10,266
<b>Allowances for expected credit loss</b>				
Allowance for credit loss	-	(1,398)	-	(1,918)
	<b>73</b>	<b>9,818</b>	<b>39</b>	<b>8,348</b>

### As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>						
(a) Receivables - considered good	7,109	3,550	84	30	29	10,802
<b>Disputed</b>						
(a) Receivables - doubtful	3	21	29	88	346	487
<b>Total</b>	<b>7,112</b>	<b>3,571</b>	<b>113</b>	<b>118</b>	<b>375</b>	<b>11,289</b>

### As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>						
(a) Receivables - considered good	8,773	112	358	90	155	9,488
<b>Disputed</b>						
(a) Receivables - doubtful	-	33	110	61	613	817
<b>Total</b>	<b>8,773</b>	<b>145</b>	<b>468</b>	<b>151</b>	<b>768</b>	<b>10,305</b>

a) Trade receivables include due from related parties (CAC America Corporation) amounting to ₹ 14 Lakhs (31 March 2023: ₹ 13 Lakhs).  
134

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

- b) The Group has impaired its trade receivables using a provisioning matrix representing expected credit losses based on a range of outcomes.
- c) The Holding Company has a trade receivable of ₹ 4,049 Lakhs as on 31 March 2024 (₹ 4,033 Lakhs as on 31 March 2023) from one of its subsidiary companies Inspirisys Solutions North America, Inc (ISNA). The aforesaid balance reflects accumulation of receivables since 2018-19 and comprises of foreign currency receivable pending for settlement beyond the stipulated period as permitted under the Foreign Exchange Management, Act 1999 (as amended). ISNA, the wholly owned subsidiary of Inspirisys Solutions Limited (ISL), India is the marketing arm for the offshore services offered and delivered to the US customers of ISNA from ISL India. ISNA has been working with customers in North America and has been engaging them for onsite business in the US and offshore business for ISL India. The trade receivables in the books of ISL India represent services performed and billed on ISNA over the years in respect of offshore services for the clients of ISNA. The Management is working on turning around the business performance of ISNA and are hopeful of generating profits to pay ISL India against the trade receivables and to this effect has drawn up business plans for the subsidiary for the next few years. In view of the above, the Management considers not making any provision towards any expected credit loss against these Accounts Receivable from ISNA including GST liability if any, in accordance with sub rule 1 of 96A of Central Goods and Service Tax (CGST) Rules, 2017, as further described in Note 40, on such export receivables together with interest thereon as the management is hopeful of collecting the dues from ISNA. The impact of non-compliance with Clause C.20 of the Master Direction – Export of Goods and Services (Updated as on November 22, 2022) for non-realization of export proceeds within stipulated timeline has been determined to be immaterial to the Consolidated financial statements.
- d) The company reviews the recoverability of trade receivables and measures expected credit loss on its trade receivables as laid down under the AS 109 “Financial Instruments” and suitable provision is created. The Management is of the opinion adequate control exists and are operating effectively. The specific transactions relating to trade receivables and accrual of GST is a clear case of management estimates and judgement in terms of its recoverability. A detailed note on the recoverability of these trade receivables is provided in Management note no 7(c). With respect to the aforementioned matter, the statutory auditor of the Company has qualified their audit report on standalone financial statements and their report on internal financial controls with reference to the financial statements as provided under section 143(3)(i) of the Companies Act, 2013 for the year ended 31 March 2024.
- e) Customer credit risk is managed based on the Group’s established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management. Outstanding customer receivables are regularly monitored by the management to ensure the risk of credit loss is minimal. Credit quality of a customer is assessed based on historical information in relation to pattern of collections, defaults and credit worthiness of the customer.
- f) There are no debts due by directors or other offices of the Company.

	As at 31 March 2024	As at 31 March 2023
<b>g) Movement of expected credit loss</b>		
<b>Balance at beginning of the year</b>	1,918	1,586
Additions during the year, net (Also refer note 28)	202	454
Utilised during the year	(722)	(122)
<b>Balance at end of the year</b>	<b>1,398</b>	<b>1,918</b>

- h) On that basis, the loss allowance as at 31 March 2024 and 31 March 2023 was determined as follows for trade receivables.

31 March 2024	Carrying amount- Trade receivables *	Expected credit Loss %	Loss Allowance
Up to 30 days	3,239	7%	237
31 to 60 days	991	8%	79
61 to 90 days	1,553	10%	150
91 to 180 days	1,391	13%	181
181 to 365 days	3,503	6%	210
1 to 2 year	113	69%	78
2 to 3 years	117	81%	96
Above 3 years	367	100%	367
<b>Total</b>	<b>11,275</b>		<b>1,398</b>



## Summary of material accounting policies and other explanatory information

₹ in Lakhs

31 March 2023	Carrying amount- Trade receivables *	Expected credit Loss %	Loss Allowance
Up to 30 days	5,246	7%	386
31 to 60 days	2,044	9%	184
61 to 90 days	802	11%	87
91 to 180 days	945	22%	203
181 to 365 days	216	45%	98
1 to 2 year	184	59%	109
2 to 3 years	76	95%	72
Above 3 years	779	100%	779
<b>Total</b>	<b>10,292</b>		<b>1,918</b>

\* excludes receivables from the related parties amounting to ₹ 14 Lakhs as at 31 March 2024 (₹ 13 Lakhs as at 31 March 2023) and its corresponding loss allowance amounting to ₹ Nil Lakhs as at 31 March 2024 (₹ Nil as at 31 March 2023).

The expected credit loss percentages have been arrived based on the probability of default using the historic data of past 3 financial years.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
<b>8 Other financial assets</b>				
(Unsecured, considered good unless otherwise stated)				
Security deposits	-	317	19	141
Rental deposits	60	278	179	154
Other receivables	-	77	-	394
Other advances	-	7	-	8
(Unsecured, considered doubtful unless otherwise stated)				
Security deposits	-	24	-	24
Rental deposits	-	55	-	55
Other receivables	-	16	-	16
<b>Allowances for expected credit loss</b>				
Allowance for credit loss	-	(95)	-	(95)
	<b>60</b>	<b>679</b>	<b>198</b>	<b>697</b>

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>9 Deferred Tax (net)</b>		
Deferred tax asset arising on account of :		
- Timing difference between depreciation / amortization as per financials and depreciation as per tax	65	69
- Provision for employee benefits	36	205
- Allowances for expected credit loss	624	578
- Provision for inventory	211	227
- Impairment in value of investments	342	342
- Business loss	2,020	1,268
- Minimum Alternative Tax (MAT) credit available	1,456	285
- Others	-	-
	<b>4,754</b>	<b>2,974</b>
<b>Net deferred tax asset*</b>	-	-

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

\*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 2024 and 31 March 2023 and consequently reconciliation for the same is not disclosed. Also, the MAT credit is due for expiry within 15 years amounting to ₹ 1,456 Lakhs (₹ 1,038 Lakhs for previous year), business loss amounting to ₹ 629 Lakhs (₹ 2,116 Lakhs for previous year) is due for expiry within 8 years and ₹ 6,308 Lakhs (₹ 2,190 Lakhs for previous year) is due for expiry within 20 years respectively from the end of the financial year in which they are created. All other temporary differences does not have any expiry.

The below table represents the yearwise breakup of unutilised MAT credit and Unabsorbed business loss.

Financial Year	As on 31 March, 2024		As on 31 March, 2023	
	MAT	Buisness loss	MAT	Buisness loss
Upto 2014-15	54	254	54	254
2015-16	-	905	-	2,392
2016-17	-	353	-	353
2017-18	294	559	294	559
2019-20	173	394	173	394
2020-21	59	333	59	333
2021-22	65	9	65	9
2022-23	333	12	393	12
2023-24	478	4,118	-	-
<b>Total</b>	<b>1,456</b>	<b>6,937</b>	<b>1,051</b>	<b>4,306</b>

Particulars	As at 31 March 2024	As at 31 March 2023
<b>10 Income tax assets (net)</b>		
Advance Tax (net of provision for tax)	3,091	3,199
	<b>3,091</b>	<b>3,199</b>

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non current	Current
<b>11 Other assets</b>				
Balances with government authorities	609	-	332	-
Prepaid expenses	563	1,945	409	1,033
Contract assets @ (Also, refer note 21)	-	1,594	-	1,637
Other advances	-	-	-	4
Supplier advances	-	33	-	139
Gratuity fund balance, net of provisions @ (Also, refer note 18)	27	-	-	-
	<b>1,199</b>	<b>3,573</b>	<b>741</b>	<b>2,813</b>

@ all contract assets are not due as at 31 March 2024 and 31 March 2023.

Particulars	As at 31 March 2024	As at 31 March 2023
<b>12 Inventories</b>		
Raw Materials	14	14
Stock in trade *	1,096	1,131
Less: Provision for inventory obsolescence	(724)	(781)
	<b>386</b>	<b>364</b>

\* Includes goods in transit of ₹ 25 Lakhs (31 March 2023; ₹ 5 Lakhs)

The value of inventories were neither written down in the current year nor previous years. Further, provisions are made based on the ageing of the inventories as per Company's policy.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### 13 Cash and bank balances

#### (a) Cash and cash equivalents

Cash in hand	4	4
Cash in transit	75	-
Balances with banks - current accounts	2,584	2,072
Balances with banks - deposit accounts with original maturity less than three months	2,110	1,005
<b>(A)</b>	<b>4,773</b>	<b>3,081</b>

#### (b) Bank balances other than mentioned in cash and cash equivalents (Also, refer note (i) and (ii) below)

Balances with banks - In deposits with original maturity of more than three months but remaining maturity less than twelve months	1,137	122
<b>(B)</b>	<b>1,137</b>	<b>122</b>
<b>(A+B)</b>	<b>5,910</b>	<b>3,203</b>

(i) These balances represent interest bearing margin money deposits are given as lien to obtain bank guarantees. They are issued to customers as collateral for the execution of contracts.

(ii) These balances are restricted and are therefore not available for general use by the Group.

	As at		As at	
	31 March 2024		31 March 2023	
	Nos.	Amount	Nos.	Amount
<b>14 Share Capital</b>				
<b>Authorized</b>				
Equity shares of ₹ 10 each	50,000,000	5,000	50,000,000	5,000
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	3,96,16,873	3,962	3,96,16,873	3,962
	<b>3,96,16,873</b>	<b>3,962</b>	<b>3,96,16,873</b>	<b>3,962</b>
<b>a) Reconciliation of number of shares</b>				
<b>Equity shares</b>				
Opening balance	3,96,16,873	3,962	3,96,16,873	3,962
Issued during the year	-	-	-	-
<b>Closing Balance</b>	<b>3,96,16,873</b>	<b>3,962</b>	<b>3,96,16,873</b>	<b>3,962</b>
<b>b) Shares held by the holding company</b>				
Equity shares of ₹ 10 each				
CAC Holdings Corporation	2,77,12,125	2,771	2,77,12,125	2,771
<b>c) Shareholders holding more than 5% of the aggregate shares in the Company</b>				
	<b>Nos.*</b>	<b>% holding</b>	<b>Nos.*</b>	<b>% holding</b>
Equity Shares of ₹ 10 each				
CAC Holdings Corporation, Holding company	2,77,12,125	70%	2,77,12,125	70%
Amicorp Trustees (India) Private Limited (Also, refer note (g) below)	44,64,279	11%	44,64,279	11%
<i>*number of shares are in absolute number</i>				
<b>d) Shares held by promotor</b>				
	<b>Nos.*</b>	<b>% holding</b>	<b>Nos.*</b>	<b>% holding</b>
Equity Shares of ₹ 10 each				
CAC Holdings Corporation, Holding company	2,77,12,125	70%	2,77,12,125	70%
<i>*number of shares are in absolute number.</i>				

There is no change in the promoter holding during the year ended 31 March 2024 and 31 March 2023.

#### e) 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.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

- f) 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 2024.
- g) In terms of the Settlement Agreement and Release dated 15 March 2017 entered into between Inspirisys Solutions Limited ('the Company'), CAC Holdings Corporation, Japan (the current promoter) and Accel Limited, Mr N R Panicker and Accel Systems Group Inc, (the erstwhile promoter group of Accel Frontline Limited) 44,64,279 shares (representing 11% (previous year: 11%) of the shareholding of the company) held by the erstwhile promoter group was transferred by such erstwhile promoter group to a Trust between 21st July 2017 and 25th August 2017. The Company does not control this trust including the decisions relating to dealing with these shares. However, the Company is the end beneficiary only of the consideration if and when the shares are sold by the trustees.

### h) Capital management policies and procedures

The Group'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 Group may adjust the return capital to shareholders, issue new shares, or sell investments / other assets to reduce debt.

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders plus its borrowings and cash credit facility, if any, less cash and cash equivalents as presented on the face of the balance sheet. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Group for the reporting years are summarized as follows:

		As at 31 March 2024	As at 31 March 2023
Borrowings		8,719	10,268
Cash and bank balances		(5,910)	(3,203)
<b>Net debt</b>	<b>(A)</b>	<b>2,809</b>	<b>7,065</b>
<b>Total equity</b>	<b>(B)</b>	<b>2,929</b>	<b>(837)</b>
<b>Overall financing</b>	<b>(A+B)</b>	<b>5,738</b>	<b>6,228</b>
Gearing ratio	(A/(A+B))	49%	113%

Increase in Cash and bank balances and increase in profits during the current year contributing to a lower gearing ratio.

### 15 Other Equity

<b>Securities premium</b>		<b>11,555</b>	<b>11,555</b>
<b>General reserve</b>		<b>859</b>	<b>859</b>
<b>Retained earnings</b>			
Balance at the beginning of the year		(16,146)	(15,892)
Add : Transferred from statement of profit and loss		367	(254)
Contribution from Ultimate Holding company (also refer note: 16(b))		3,292	-
Balance at the end of the year		<b>(12,487)</b>	<b>(16,146)</b>
<b>Accumulated other comprehensive income</b>			
Balance at the beginning of the year		(184)	(122)
Add : Transfer from other comprehensive income		(49)	(62)
Balance at the end of the year		<b>(233)</b>	<b>(184)</b>
<b>Foreign currency translation reserve</b>			
Balance at the beginning of the year		(883)	(283)
Add : Transfer from other comprehensive income		156	(600)
Balance at the end of the year		<b>(727)</b>	<b>(883)</b>
<b>Total other equity</b>		<b>(1,033)</b>	<b>(4,799)</b>

### 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.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

- 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) **Foreign currency translation reserve**  
Exchange differences arising on translation of the foreign operations of subsidiaries and branch are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity.
- f) **Contribution from Ultimate Holding Company**  
This amount represents waiver of loan repaid by CAC Holdings Corporation, the Ultimate Holding company, to Emirates National Bank of Dubai on behalf of Inspirisys Solutions DMCC (ISDMCC).

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
<b>16 Borrowings</b>				
<b>i) Secured</b>				
<b>From Banks</b>				
Vehicle loan (Also, refer note (a) below)	44	17	19	23
	<b>44</b>	<b>17</b>	<b>19</b>	<b>23</b>
<b>ii) Unsecured</b>				
<b>Loans repayable on demand</b>				
<b>From banks</b>				
Cash credit	-	-	-	3,135
<b>Other borrowings</b>				
<b>From banks</b>				
Post shipment credit in foreign currency	-	248	-	119
<b>From others</b>				
Loans and advances from related parties (Also, refer note (b) below)	540	7,870	534	6,438
	<b>540</b>	<b>8,118</b>	<b>534</b>	<b>9,692</b>
<b>Total Borrowings</b>	<b>584</b>	<b>8,135</b>	<b>553</b>	<b>9,715</b>

- 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 7% to 9.5% per annum (Also, refer note 4(a)).

The details of lease commitments in terms of Minimum lease payments (MLP) and Present value (PV) of MLP are as follows:

	As at 31 March 2024		As at 31 March 2023	
	MLP	PV of MLP	MLP	PV of MLP
<b>Payments falling due:</b>				
Payable not later than 1 year	22	17	26	23
Payable later than one year but not later than 5 years	50	44	20	19
<b>Total</b>	<b>72</b>	<b>61</b>	<b>46</b>	<b>42</b>
Less: Amounts representing interest	(11)	-	(4)	-
	<b>61</b>	<b>61</b>	<b>42</b>	<b>42</b>

- b) The loans and advances from related parties represents loan from the ultimate holding company, CAC Holding Corporation, to :
- Inspirisys Solutions Limited to the tune of ₹ 4,140 Lakhs (including interest payable) (As at 31 March 2023: ₹ 4,082 Lakhs) at an interest rate of 4.5%+6 months SOFR rate and the entire amount being repayable in 2023-24. (Also refer note 36)
  - Inspirisys Solutions North America Inc., USA to the tune of ₹ 3,535 (As at 31 March 2023: ₹ 2,100) at an interest rate of 3.25%+6 months SOFR rate and repayable between 2024-25 and 2025-26.
  - Network Programs (USA) Inc., USA, to the tune of ₹ 250 (As at 31 March 2023: ₹ 247) at an interest rate of 3.25%+6 months SOFR rate and and repayable between 2023-24 and 2024-25. (Also refer note 36).
  - Inspirisys Solutions Japan Kabushiki Kaisha., Japan, to the tune of ₹ 487 (As at 31 March 2023: ₹ 543) at an interest rate of 0.65% and repayable over the period 2017-18 to 2019-20 in five tranches occurring once in every 6 months. Owing to cash flow issues, the company is in the process of rescheduling the repayment of the loan. (Also refer note 36).
  - One of the subsidiaries, Inspirisys Solutions DMCC (ISDMCC), UAE, has availed a cash credit facility from Emirates NBD worth Nil (As at 31 March 2023: ₹ 3,135) which is secured by the Corporate Guarantee provided by CAC Holdings Corporation, Japan ('CAC'). This facility amounting to ₹ 3,292 was repaid by CAC to ENBD and the repayment obligation of ISDMCC has been waived off by CAC during the year ended 31 March 2024.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

	As at 31 March 2024	As at 31 March 2023
<b>c) Details of guarantee</b>		
Guaranteed by holding company		
From banks		
- Post shipment credit in foreign currency	248	119
- Cash credit	-	3,135

### d) Details of security

- The Group has availed PSCFC (Post Shipment Credit in Foreign Currency) worth ₹ 248 Lakhs (as at 31 March 2023: ₹ 119 Lakhs) from Sumitomo Mitsui Banking Corporation at an interest rate of relevant period SOFR + applicable credit cost + 0.7% p.a. (as at 31 March 2023: 8.25%) which is secured by a Corporate Guarantee provided by CAC Holdings Corporation, Japan. The same is repayable on the respective due dates of each drawdown, which is generally less than 12 months.
- The Group has a financial facility from HDFC Bank Limited to the tune of ₹ 3,000 Lakhs (Fund based ₹ 500 Lakhs and Non Fund Based ₹ 2,500 Lakhs) as at 31 March 2024. This loan is secured by First and exclusive charge on the fixed assets and current assets of the group. The group has not utilised this facility during the year and the balance as at 31 March 2024 is ₹ Nil.
- The Group has a financing facility from Axis Bank to the tune of ₹ 260 Lakhs (Non Fund Based ₹ 260 Lakhs) as at 31 March 2024. This loan is secured by 100% Cash Collateral and is being closed on a run down basis.

	As at 31 March 2024		As at 31 March 2023	
	Long term	Short term	Long term	Short term
<b>e) Reconciliation for cash flow statement</b>				
Opening balance	553	9,715	269	10,211
Reclassified to current maturities	(1,397)	1,397	267	(267)
(Repayment of) / Proceeds from borrowings	1,414	157	(3)	362
Contribution from Ultimate Holding Company (refer note: 16)	-	(3,292)	-	-
Exchange loss on restatement	(2)	(138)	21	(497)
Interest expense	27	1,343	21	1,057
Interest paid	(11)	(1,047)	(22)	(1,150)
<b>Closing balance</b>	<b>584</b>	<b>8,135</b>	<b>553</b>	<b>9,715</b>

f) The short-term facilities are secured by the corporate guarantee provided by the holding company and these are not secured against the current assets by the group.

g) The Company is generally regular in repayment of its borrowings and hence, it has not been declared as wilful defaulter by any bank or financial institutions.

h) The Company has duly registered all the creation and satisfaction of the charges with the Registrar of Companies on or before the prescribed time limit.

i) The below table contains details of undrawn facility

Bank	Total Facility	Facility Utilised		Utilised Facility
		(Funded)	(Non-Funded)	
SMBC	5,000	248	1,755	2,997
Mizuho Bank Limited	12,750	-	8,972	3,778
HDFC Bank Limited	3,000	-	-	3,000
<b>Total</b>	<b>20,750</b>	<b>248</b>	<b>10,727</b>	<b>9,775</b>

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
<b>17 Lease liability</b>				
Lease liability (Also, refer note (a) below)	15	54	77	159
	<b>15</b>	<b>54</b>	<b>77</b>	<b>159</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

	As at 31 March 2024	As at 31 March 2023
<b>(a) Movement in lease liability</b>		
Balance as at beginning of the year	236	432
Additions	-	107
Deletions	-	(69)
Finance cost accrued during the year (Also, refer note 30)	15	28
Payment of lease liabilities	(182)	(271)
Exchange loss	-	9
<b>Balance as at end of the year</b>	<b>69</b>	<b>236</b>
<b>(b) Summary of contractual maturities of lease liabilities</b>		
Less than one year	46	171
One to five years	88	82
<b>Total undiscounted lease liabilities</b>	<b>134</b>	<b>253</b>

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
<b>18 Provisions</b>				
Provisions for employee benefits				
Gratuity (refer note (a) (i) below)	-	-	746	48
Compensated absences (refer note (a) (ii) below)	87	37	175	76
Provision for warranty (refer note (b) below)	-	232	-	162
	<b>87</b>	<b>269</b>	<b>921</b>	<b>286</b>

### a) Employee benefits

#### i) Gratuity

In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan (“the Gratuity Plan”) covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund maintained by Life Insurance Corporation.

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

	As at 31 March 2024	As at 31 March 2023
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	1,022	932
Current service cost	88	116
Past service cost	-	58
Interest cost	56	50
Actuarial loss	95	72
Benefits paid	(78)	(235)
Exchange loss	-	28
Adjustments on account of discontinued operations	(197)	-
<b>Projected benefit obligation at the end of the year</b>	<b>986</b>	<b>1,022</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	228	133
Investment income	17	8
Employer contributions	820	315
Benefits paid	(78)	(228)
Actuarial loss	26	-
<b>Fair value of plan assets at the end of the year</b>	<b>1,013</b>	<b>228</b>
<b>Reconciliation of present value of obligation on the fair value of plan assets to the liability recognised</b>		
Present value of projected benefit obligation at the end of the year	986	1,022
Fair value of plan assets at the end of the year	1,013	228
<b>(Asset) / Liability recognized in the balance sheet</b>	<b>(27)</b>	<b>794</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

	As at 31 March 2024	As at 31 March 2023
<b>Thereof</b>		
Funded	986	228
Unfunded	-	794
<b>Components of net gratuity costs are</b>		
Current service cost	88	116
Past service cost	-	58
Interest cost	39	42
<b>Total amount recognised in the statement of profit and loss</b>	<b>127</b>	<b>216</b>
Actuarial Loss	69	72
<b>Total amount recognised in other comprehensive income</b>	<b>69</b>	<b>72</b>
<b>Net gratuity cost</b>	<b>196</b>	<b>288</b>
<b>Principal actuarial assumptions used* :</b>		
Discount rate	7.09%	7.27%/ (3.99%)
Long-term rate of compensation increase	6.00%	6.00%
Expected rate of return on plan assets	7.09%	7.27%
Average remaining life (in years)	24.66	21.59/11.50
Attrition rate		
Upto 30 years	25%	30%
31 to 44 years	25%	25%
Above 44 years	15%	15%

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 ₹ 82 Lakhs to be paid in 2024-25. The weighted average duration of the defined benefit obligation as at 31 March 2024 is 3 years (31 March 2023: 3 years).

### Employee benefits - Maturity profile (Undiscounted)

Particulars	Less than a year	Between 2-5 years	Between 6-10 years	Over 10 years	Total
<b>31 March 2024</b>					
Defined benefit obligation	276	498	375	191	1,340
<b>31 March 2023</b>					
Defined benefit obligation	252	543	365	211	1,371

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 2024.

	Attrition rate		Discount rate		Future salary	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
<b>31 March 2024</b>						
> Sensitivity Level	1%	1%	1%	1%	1%	1%
> Defined benefit obligation	(17)	18	( 34)	37	39	(36)
<b>31 March 2023</b>						
> Sensitivity Level	1%	1%	1%	1%	1%	1%
> Defined benefit obligation	(16)	19	( 37)	40	42	(39)

### Risk exposure

The defined benefit plan exposes the Company to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.



## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in Indian rupees. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

### Investment risk

The company maintains plan assets in the form of fund with Life Insurance Corporation of India. The fair value of the plan assets is exposed to the market risks (in India).

### Longevity risk

The Company is required to provide benefits for life for the members of the defined benefit liability. Increase in the life expectancy of the members, will increase the defined benefit liability.

### Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Company's liability.

### (ii) Compensated absences

The liability in respect of the Group, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Group does not maintain any plan assets to fund its obligation towards compensated absences.

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Principal actuarial assumptions used* :</b>		
Discount rate	7.09%	7.27%/ (3.99%)
Long-term rate of compensation increase	6.00%	6.00%
Attrition rate		
Upto 30 years	25%	30%
31 to 44 years	25%	25%
Above 44 years	15%	15%

\*The assumptions used by one of the subsidiary Inspirisys Solutions DMCC, UAE have been given in the brackets ( ).

Sensitivity analysis is carried out by Projected Unit Credit Method (PUCM) by changing only the respective assumption and keeping all other assumption same as that used to estimate the liability. The impact given is the difference between the liability as on the date of valuation and the liability if the given assumption changes by the stated amount. The limitation of this method is that it considers the change in the respective assumption in isolation without affecting the other assumptions which in reality may not be the case.

### b) Provision for warranty

Balance at the beginning of the year	162	67
Created during the year, net	99	133
Utilised/reversed during the year	(29)	(38)
<b>Balance at the end of the year</b>	<b>232</b>	<b>162</b>

A provision is recognized for expected warranty claims on supply of banking licenses, based on past experience of level of technical support costs incurred. The current and non-current classification of the provision is made based on the remaining warranty period of the licenses 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 licenses 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 12 months.

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>19 Trade payables</b>		
Total outstanding dues of micro and small enterprises*	186	166
Total outstanding dues of creditors other than micro and small enterprises	5,930	4,623
	<b>6,116</b>	<b>4,789</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	186	-	-	-	186
(ii) Others	5,908	-	1	1	5,910
(iii) Disputed dues – Other than MSME	-	-	5	15	20
<b>Total</b>	<b>6,094</b>	<b>-</b>	<b>6</b>	<b>16</b>	<b>6,116</b>

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	166	-	-	0	166
(ii) Others	4,505	22	1	72	4,600
(iii) Disputed dues – Other than MSME	-	23	-	-	23
<b>Total</b>	<b>4,671</b>	<b>45</b>	<b>1</b>	<b>72</b>	<b>4,789</b>

Particulars	As at 31 March 2024	As at 31 March 2023
<b>a) Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:</b>		
i) Principal amount remaining unpaid	186	166
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	-	-
	<b>186</b>	<b>166</b>

\*The management has identified enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 and 31 March 2023 has been made in the financials statements based on information received and available with the Group. Further, the Group has not paid any interest to any micro and small enterprises during the current year and previous year.

	As at 31 March 2024	As at 31 March 2023
<b>20 Other current financial liabilities</b>		
Employee related payables	553	545
Other accrued liabilities	2,815	2,292
<b>Total financial liabilities</b>	<b>3,368</b>	<b>2,837</b>
<b>21 Other current liabilities</b>		
Statutory dues	403	315
Unearned revenue	4,282	2,388
	<b>4,685</b>	<b>2,703</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

The following table discloses the movement in the Contract assets and unearned revenue during the year ended 31 March 2024 and 31 March 2023.

Particulars	Contract assets		Unearned revenue	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	1,637	1,858	2,388	2,695
Revenue recognised during the year	1,594	1,637	(1,579)	(2,324)
Invoiced during the year	(1,637)	(1,858)	3,473	2,017
<b>Balance at end of the year</b>	<b>1,594</b>	<b>1,637</b>	<b>4,282</b>	<b>2,388</b>

### 22 Revenue from operations

	As at 31 March 2024	As at 31 March 2023
<b>Sale of goods</b>		
From continuing operations	20,702	11,426
From discontinued operations	273	691
<b>Sale of services (Also, refer note 36 (b))</b>		
From continuing operations	28,314	25,596
From discontinued operations	362	1,177
<b>Other operating income</b>		
From continuing operations	33	145
From discontinued operations	-	-
<b>Revenue from operations</b>	<b>49,684</b>	<b>39,035</b>
From continuing operations	49,049	37,167
From discontinued operations	635	1,868
Disaggregate revenue information is as follows:		
<b>Nature of operations (Also, refer notes below)</b>		
<b>Revenue transferred at a point in time</b>		
Sale of products/hardware	20,975	12,117
<b>Revenue transferred over time</b>		
Services	27,161	25,671
Warranty management Services	1,186	1,247
	<b>49,684</b>	<b>39,035</b>

#### a) Entities remaining performance obligation

The aggregate amount of transaction price that is allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period is ₹ 21,715 Lakhs (₹ 12,353 for the year ended 31 March 2023). The management expects to recognise the same as revenue in the subsequent years as detailed in the below table:

Aggregate amount of transaction price	Expected period of revenue recognition			
	Total	Less than 1 year	1-3 years	More than 3 years
> As at 31 March 2024	21,715	15,174	4,448	2,093
> As at 31 March 2023	12,353	9,585	2,284	484

#### b) Liquidated damages (adjustment to contract price)

The Company based on the historic trend and assessment of the contract performance, estimates the potential liquidated damages / penalty likely to be charged by the customers as a % of the revenue recognised for the financial year. These liquidated damages / penalties (LD) are adjusted against the revenue from operations in the statement of profit and loss. A reconciliation of the same is as below:

Particulars	31 March 24	31 March 23
Revenue recognised (excluding LD)	49,865	39,193
Less : Estimated LD included in Revenue from operations	(181)	(158)
Revenue recognised (net-off LD)	49,684	39,035

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
<b>23 Other income</b>		
Liabilities no longer required written back	87	135
Interest income from financial assets at amortised cost, fixed deposits	157	26
Interest income from financial assets at amortised cost, rental deposits	20	38
Net gain on foreign currency transactions & translations	59	154
Interest on income tax refund	30	44
Reversal of lease liabilities	-	28
Other non-operating income	20	62
	<b>373</b>	<b>487</b>
<b>24 Cost of raw materials consumed</b>		
Opening stock (Net of provision)	-	3
Add : Purchases during the year	-	1
Less: Closing stock (Net of provision)	-	-
	<b>-</b>	<b>4</b>
<b>25 Purchases of stock-in-trade</b>	19,478	10,881
Purchases of stock-in-trade	<b>19,478</b>	<b>10,881</b>
<b>26 Changes in inventories of stock-in-trade and finished goods</b>		
Opening stock:		
Finished goods	-	-
Stock-in-trade	1,131	1,166
Less: Provision for inventories	(767)	(734)
	<b>364</b>	<b>432</b>
Closing stock:		
Finished goods	-	-
Stock-in-trade	1,096	1,166
Less: Provision for inventories	(710)	(767)
	<b>386</b>	<b>364</b>
<b>Net (increase) / decrease in inventories</b>	<b>(22)</b>	<b>68</b>
<b>27 Employee benefits expense</b>		
Salaries and wages (Also, refer Note 36(b))	11,594	10,699
Gratuity expense (Also, refer Note 18)	127	192
Contribution to provident and other defined contribution funds	422	410
Staff welfare expenses	121	70
	<b>12,264</b>	<b>11,371</b>
<b>28 Impairment losses</b>		
Impairment of Intangibles under Development	91	-
Allowances for credit loss in trade receivables	202	140
	<b>293</b>	<b>140</b>

**Note :**

- The Group has internally evaluated the recoverable amount of the intangible assets under development as required under Ind AS 36 Impairment and concluded that the same is less than carrying amount and impairment allowances were made during the year to the extent of ₹ 91 Lakhs.
- During the current year, the company has created allowances for credit loss to the tune of ₹ 202 Lakhs with respect to trade receivables of unrelated parties based on expected credit loss (ECL) evaluation.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

	Year ended 31 March 2024	Year ended 31 March 2023
<b>29 Other expenses</b>		
Sub-contracting and outsourcing cost	9,717	7,818
Rent (Also, refer note 34)	614	543
Legal and professional fees	1,277	1,384
Travelling and conveyance	335	390
Freight and forwarding	80	69
Communication expenses	202	218
Repairs and maintenance		
-Leased premises	310	318
-Equipment's	2	6
-Othes	39	43
Power and fuel	250	220
Insurance	178	167
Rates and taxes	291	132
Printing and stationery	17	17
Payments to auditors*		
Statutory audit	43	39
Limited review	9	8
Reimbursement of expenses	4	2
Directors' sitting fees (Also, refer note 36 (b))	31	35
Bad debts written off	20	21
Exchange differences (net)	143	70
Corporate Social Responsibility expenses (Also, refer note 44)	24	18
Miscellaneous expenses	263	291
	<b>13,850</b>	<b>11,809</b>
<i>* excluding applicable taxes</i>		
<b>30 Finance costs</b>		
Interest Expenses (Also, refer note 36 (b))	760	604
Interest on Lease liabilities	15	27
Other borrowing costs	283	147
	<b>1,058</b>	<b>778</b>
<b>31 Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment (Also refer note 4)	238	243
Amortization of intangible assets (Also refer note 4)	75	71
Depreciation of right to use assets (Also, refer note 5)	145	243
	<b>458</b>	<b>557</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### 32 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 Group at 29.12% and the reported tax expense in the statement of profit and loss for the year ended 31 March 2024 and 31 March 2023 are as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Tax expense comprises of:</b>		
Current Income tax	497	411
Current tax relating to previous years	-	-
<b>Tax expense reported in the statement of profit and loss</b>	<b>497</b>	<b>411</b>
<b>Income tax expense attributable to:</b>		
Continuing operations	497	411
Discontinued operations	-	-
<b>Total</b>	<b>497</b>	<b>411</b>
<b>Reconciliation of income tax expense and the accounting profit/(loss) multiplied by India's tax rate:</b>		
Profit before tax from continuing operations	2,043	2,046
Loss before tax from discontinued operations	(1,179)	(1,889)
<b>Accounting profit before taxes</b>	<b>864</b>	<b>157</b>
Tax rates	29.12%	29.12%
Tax on profit at enacted tax rate	252	46
<b>Tax impact on the following items :</b>		
- Tax impact relating to subsidiaries losses	1,243	616
- Expenses not deductible for tax	82	46
- Others#	(1,080)	(297)
<b>Actual tax expense</b>	<b>497</b>	<b>411</b>
Current tax	497	411
Current tax relating to previous years	-	-
<b>Tax expense reported in the statement of profit and loss</b>	<b>497</b>	<b>411</b>
# Majorly on account of difference in applicable tax rate (MAT) and effective tax rate.		

	Year ended 31 March 2024	Year ended 31 March 2023
<b>33 Earnings / (Loss) per share</b>		
Nominal value of equity shares (in ₹)	10	10
Profit from continuing operations (in ₹) (A)	1,546	1,635
Loss from discontinued operations (in ₹) (B)	(1,179)	(1,889)
<b>Profit for the year attributable to equity shareholders (in ₹) ((A)+(B))</b>	<b>367</b>	<b>(254)</b>
Weighted average number of equity shares outstanding during the year (C)	39,616,873	39,616,873
Basic and diluted earnings per equity share from continuing operations (in ₹) (A/C)	3.90	4.13
<b>Basic and diluted earnings per equity share from discontinued operations (in ₹) (B/C)</b>	<b>(2.98)</b>	<b>(4.77)</b>
<b>Basic and diluted earnings per equity share from continuing and discontinued operations (in ₹) ((A+B)/C)</b>	<b>0.93</b>	<b>(0.64)</b>

### 34 Leases

The Company has lease contracts for office premises and these lease contracts are cancellable / renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116.

	Year ended 31 March 2024	Year ended 31 March 2023
Lease expense during the year, representing the minimum lease payments	614	543

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### 35 Discontinued Operation

Inspirisys Solutions DMCC (ISDMCC), UAE, a wholly owned subsidiary had accumulated losses as at 31 March 2024 and 31 March 2023 and the negative net-worth as at 31 March 2023. ISDMCC has incurred continuous losses over the last several years particularly during and after Covid Pandemic and the Board in their meeting held on 28th September 2023 decided to voluntarily windup and liquidate ISDMCC in the best interest of the company.

ISDMCC, was not previously classified as held for sale or as discontinued operation. The comparative consolidated statement of profit or loss has been re-presented to show the discontinued operations separately from continuing operations.

The disclosures as required under Ind AS 105 - Non-current assets held for sale and discontinued operations are as below:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. The results of discontinued operation:</b>		
Revenue from operations	635	1,868
Other income	219	-
Total Revenue	854	1,868
Total Expenses	2,033	3,757
<b>Results from operating activities</b>	<b>(1,179)</b>	<b>(1,889)</b>
Income tax	-	-
<b>Loss from discontinued operation</b>	<b>(1,179)</b>	<b>(1,889)</b>
Exchange difference on translation of discontinued operations	52	(64)
<b>Other comprehensive income from discontinued operations</b>	<b>52</b>	<b>(64)</b>

The loss from discontinued operation of ₹ 1,179 Lakhs (Previous year : ₹ 1,889 Lakhs) is attributable entirely to the owners of the Company. The profit of continuing operations ₹ 1,546 Lakhs (FY 2022-23 ₹ 1,635 Lakhs) is attributable entirely to the owners of the company.

### B. The cash flow information for the year ended 31 March 2024 and 31 March 2023 is as follows:

Net cash used in operating activities	247	(562)
Net cash generated from investing activities	-	-
Net cash generated from financing activities	(248)	-
<b>Net decrease in cash and cash equivalents</b>	<b>(1)</b>	<b>(562)</b>

### C. Details of carrying values of assets and liabilities classified as held for sale as at 31 March 2024 and 31 March 2023 are as follows:

<b>Assets</b>		
Property, plant and equipment	-	8
Other financial assets	36	19
Other non-current assets	2	99
- Trade receivables	-	131
Cash and cash equivalents	21	21
- Other financial assets	-	5
Other current assets	-	611
<b>Total assets</b>	<b>59</b>	<b>894</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	-	(5,748)
Provisions	-	(341)
Trade payables	-	(550)
Other financial liabilities	(51)	(527)
Other current liabilities	-	(220)
<b>Total liabilities</b>	<b>(51)</b>	<b>(7,386)</b>
<b>Net assets</b>	<b>8</b>	<b>(6,492)</b>

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### 36 Related parties

#### a) Names of related parties and nature of relationship

Name of related party	Nature of relationship
CAC Holding Corporation, Tokyo, Japan	Holding company
CAC Corporation, Tokyo, Japan	Fellow subsidiary
CAC America Corporation	Fellow subsidiary
PT Mitrais, Indonesia	Fellow subsidiary
Koji Iketani	Non Independent Non Executive Chairman
Malcolm F. Mehta, Chairman and Chief Executive Officer (resigned on 31 October 2022)	Key Management Personnel (KMP)
Murali Gopalakrishnan, Executive Director & Chief Executive Officer (From 01 November 2022)	Key Management Personnel (KMP)
Balaji Ramanujam, Chief Financial Officer (From 01 November 2022)	Key Management Personnel (KMP)
S. Sundaramurty (Company Secretary and Compliance Officer)	Key Management Personnel (KMP)
Rajesh Ramniklal Muni	Independent director
Ruchi Naithani	Independent director
Raj Khalid (resigned on 30 April 2023)	Independent director
M S Jagan	Independent director
Toru Horiuchi (from 01 November 2022)	Non Executive and Non Independent Director

#### b) Transactions with related parties

Name of the related party	Year ended 31 March 2024	Year ended 31 March 2023
<b>Sale of services</b>		
CAC America Corporation	160	121
<b>Purchase of software</b>		
PT Mitrais, Indonesia	9	-
<b>Interest expense</b>		
CAC Holdings Corporation, Tokyo, Japan	721	448
<b>Reimbursements</b>		
CAC Holdings Corporation, Tokyo, Japan	34	31
<b>Remuneration</b>		
Malcolm F Mehta #	-	124
Murali Gopalakrishnan #	111	43
Balaji Ramanujam #	49	35
S. Sundaramurty #	26	26
Raj Khalid	-	8
Rajesh Ramniklal Muni	13	12
Ruchi Naithani	9	9
M S Jagan	9	7
<b>Management Fees**</b>		
CAC Corporation, Tokyo, Japan	99	78

#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.



## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### c) Balance with related parties (Unsecured, unless stated otherwise)

Name of the related party	As at 31 March 2024	As at 31 March 2023
<b>Advances</b>		
CAC Corporation, Tokyo, Japan	1	1
<b>Loans Payable</b> (refer note: 16(ii))		
CAC Holdings Corporation, Tokyo, Japan	8,410	6,972
<b>Trade receivables*</b> (refer note: 7)		
CAC America Corporation	14	13
<b>Contract assets</b> (refer note: 11)		
CAC America Corporation	13	13
<b>Guarantee received</b> (refer note: 16(ii))		
CAC Holdings Corporation, Tokyo, Japan	17,750	17,750
<b>Trade payables*</b>		
CAC Holdings Corporation, Tokyo, Japan	-	113

\*Trade receivables and trade payables generally carry a credit period of 60 Days and are to be settled in cash.

Contract assets represents unbilled revenue which will be billed subsequently as per the terms of the contract

\*\*Management fees payable represents management support fees payable to holding company and is to be settled in cash.

### d) 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 2024	Year ended 31 March 2023
	Loans received	Loans received
CAC Holdings Corporation, Tokyo, Japan	8,410	6,972

## 37 Fair value measurement

### a) Financial instruments by category

	As at 31 March 2024			As at 31 March 2023		
	Amortized cost@	Total carrying value	Fair value@	Amortized cost@	Total carrying value	Fair value@
<b>Financial assets</b>						
Trade receivables, net	9,891	9,891	9,891	8,387	8,387	8,387
Cash and cash equivalents	4,773	4,773	4,773	3,081	3,081	3,081
Bank balances	1,137	1,137	1,137	122	122	122
Other financial assets	739	739	739	895	895	895
<b>Total financial assets</b>	<b>16,540</b>	<b>16,540</b>	<b>16,540</b>	<b>12,485</b>	<b>12,485</b>	<b>12,485</b>
<b>Financial liabilities</b>						
Borrowings	8,719	8,719	8,719	10,268	10,268	10,268
Lease liabilities	69	69	69	236	236	236
Trade payables	6,116	6,116	6,116	4,789	4,789	4,789
Other financial liabilities	3,368	3,368	3,368	2,837	2,837	2,837
<b>Total financial liabilities</b>	<b>18,272</b>	<b>18,272</b>	<b>18,272</b>	<b>18,130</b>	<b>18,130</b>	<b>18,130</b>

@ Management recognises all financial assets and liabilities at amortised cost and considers it to approximate fair value. The company does not have any assets measured at FVOCI.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### b) Fair value measurement hierarchy

The Group records certain financial assets and financial liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Group holds certain financial assets which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

> **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

> **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

> **Level 3:** Unobservable inputs for the asset or liability.

Investment in Telesis Global Solutions Limited, India is impaired as more recent information is not available to measure fair value. The management had impaired the investment hence there is no carrying value for this investment.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
-------------	-----------------------------	-----------------------------

### c) Interest-bearing loans and borrowings:

#### a) Interest-bearing loans and borrowings:

Floating rate borrowings	8,658	7,091
Fixed rate borrowings	61	3,177

The fair values of the Group's interest-bearing borrowings and loans are determined under amortised cost method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. These rates are considered to reflect the market rate of interest and hence the carrying value are considered to be at fair value.

Loans, cash and bank balances, trade receivables, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

## 38 Financial risk management

The Group's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its and group companies operations. The Group's principal financial assets include loans, trade and other receivables, investments, cash and deposits that derive directly from its operations.

The Group is exposed to market risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management assesses the financial risks and the appropriate financial risk governance framework in accordance with the Group's policies and risk objectives. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below:

### a) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Group did not have any floating rate borrowings except for the borrowings from the Holding Group which is charged at 6 months SOFR + 4.5% and PSCFC facility which is charged at relevant period SOFR + Applicable credit cost + 0.7% p.a.

### 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 2024 and 31 March 2023. 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.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

Particulars	Interest rate fluctuation	Profit before tax for the	
		Year ended 31 March 2024	Year ended 31 March 2023
Increase in interest rate / (Decrease) in profit for the year	+1%	(87)	(71)
(Decrease) in interest rate / Increase in profit for the year	-1%	87	71

### 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	JPY
<b>31 March 2024</b>			
Financial assets	831	11	-
Financial liabilities	8,197	-	487
<b>31 March 2023</b>			
Financial assets	848	10	-
Financial liabilities	6,551	-	565

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, JPY/₹ 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 2024 (31 March 2023: 1%), a +/- 1% change is considered for the JPY/₹ exchange rate for the year ended at 31 March 2024 (31 March 2023: 1%) and a +/- 1% change is considered for the GBP/₹ exchange rate for the year ended at 31 March 2024 (31 March 2023: 1%).

If the ₹ had strengthened against the USD by 1% during the year ended 31 March 2024 (31 March 2023: 1%), JPY by 1% during the year ended 31 March 2024 (31 March 2023: 1%) and GBP by 1% during the year ended 31 March 2024 (31 March 2023: 1%) respectively then this would have had the following impact on profit before tax and equity before tax.

If the ₹ had weakened against the USD by 1% during the year ended 31 March 2024 (31 March 2023: 1%), JPY by 1% during the year ended 31 March 2024 (31 March 2023: 1%) and GBP by 1% during the year ended 31 March 2024 (31 March 2023: 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.

Particulars		Year ended	Year ended
		31 March 2024	31 March 2023
<b>Profit before tax</b>			
USD	+1%	(74)	(57)
GBP	+1%	0	-
JPY	+1%	(5)	(6)
<b>Profit before tax</b>			
USD	-1%	74	57
GBP	-1%	(0)	-
JPY	-1%	5	6

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### e) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example trade receivables, placing deposits, investment etc. the Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting period, as summarised below:

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Classes of financial assets</b>		
Trade receivables	9,891	8,387
Cash and bank balance	5,910	3,203
Other Financials assets	739	895

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 2024

Particulars	Within 6 months	6 to 12 months	1 to 5 years
Borrowings	636	7,499	584
Lease Liabilities	26	28	88
Trade and other payables	6,116	-	-
Other financial liabilities	3,368	-	-

#### As at 31 March 2023

Particulars	Within 6 months	6 to 12 months	1 to 5 years
Borrowings	5,269	4,446	553
Lease Liabilities	80	80	77
Trade and other payables	4,789	-	-
Other financial liabilities	2,837	-	-

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### 39 Segment reporting

#### a) Identification of Segments

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

The Company's principal lines of business is IT services which includes, providing system integration (SI) solutions comprising network design, hardware and software, Services which comprises of IT Infrastructure management solutions, software development and support and warranty management solutions (WMS) for imported and indigenous equipments, development, implementation and maintenance of software applications.

#### Year ended 31 March, 2024

Particulars	SI	Services**	WMS	Training	Unallocated	Total
<b>Revenue</b>						
Sales*	21,337	27,162	1,186	-	-	49,685
<b>Total revenue from operations</b>	<b>21,337</b>	<b>27,162</b>	<b>1,186</b>	-	-	<b>49,685</b>
<b>Results</b>						
Segment result*	1,256	2,663	27	-	-	3,946
Unallocated corporate expenses	-	-	-	-	(2,399)	(2,399)
<b>Operating (loss) / profit</b>	<b>1,256</b>	<b>2,663</b>	<b>27</b>	-	<b>(2,399)</b>	<b>1,547</b>
Interest and finance charges	-	-	-	-	(1,274)	(1,274)
Unallocated income	-	-	-	-	591	591
<b>(Loss) / Profit before tax</b>	<b>1,256</b>	<b>2,663</b>	<b>27</b>	-	<b>(3,082)</b>	<b>864</b>
Income taxes	-	-	-	-	497	497
<b>(Loss) / Profit for the year</b>	<b>1,256</b>	<b>2,663</b>	<b>27</b>	-	<b>(3,579)</b>	<b>367</b>
<b>Other information</b>						
Segment assets#	3,709	13,974	810	-	-	18,493
Unallocated corporate assets	-	-	-	-	7,795	7,795
<b>Total assets</b>	<b>3,709</b>	<b>13,974</b>	<b>810</b>	-	<b>7,795</b>	<b>26,288</b>
Segment liabilities^	4,566	12,532	346	-	-	17,444
Unallocated corporate liabilities	-	-	-	-	5,915	5,915
<b>Total liabilities</b>	<b>4,566</b>	<b>12,532</b>	<b>346</b>	-	<b>5,915</b>	<b>23,359</b>
Capital expenditure	-	61	14	-	178	253
Depreciation and amortization	3	82	12	-	361	458
Other non cash expenditure, net	16	157	1	-	(378)	(204)

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

Year ended 31 March, 2023

Particulars	SI	Services**	WMS	Training	Unallocated	Total
<b>Revenue</b>						
Sales*	12,117	25,644	1,274	-	-	39,035
<b>Total revenue from operations</b>	<b>12,117</b>	<b>25,644</b>	<b>1,274</b>	-	-	<b>39,035</b>
<b>Results</b>						
Segment result*	560	2,603	105	-	-	3,268
Unallocated corporate expenses	-	-	-	-	(2,520)	(2,520)
<b>Operating (loss) / profit</b>	<b>560</b>	<b>2,603</b>	<b>105</b>	-	<b>(2,520)</b>	<b>748</b>
Interest and finance charges	-	-	-	-	(1,078)	(1,078)
Unallocated income	-	-	-	-	487	487
<b>(Loss) / Profit before tax</b>	<b>560</b>	<b>2,603</b>	<b>105</b>	-	<b>(3,111)</b>	<b>157</b>
Income taxes	-	-	-	-	411	411
<b>(Loss) / Profit for the year</b>	<b>560</b>	<b>2,603</b>	<b>105</b>	-	<b>(3,522)</b>	<b>(254)</b>
<b>Other information</b>						
Segment assets#	3,636	9,729	783	35	-	14,183
Unallocated corporate assets	-	-	-	-	7,020	7,020
<b>Total assets</b>	<b>3,636</b>	<b>9,729</b>	<b>783</b>	<b>35</b>	<b>7,020</b>	<b>21,203</b>
Segment liabilities^	3,370	7,614	370	3	-	11,357
Unallocated corporate liabilities	-	-	-	-	10,683	10,683
<b>Total liabilities</b>	<b>3,370</b>	<b>7,614</b>	<b>370</b>	<b>3</b>	<b>10,683</b>	<b>22,040</b>
Capital expenditure	-	128	4	-	80	212
Depreciation and amortization	6	337	21	-	199	563
Other non cash expenditure, net	16	544	1	-	(146)	415

\* Including discontinued operations related revenue from operations and segment results.

# Including discontinued operations - Assets held for sale under services ₹ 59 as on 31 March 2024.

^ Including discontinued operations - Liabilities related to Assets held for sale under services ₹ 51 as on 31 March 2024.

\*\* Services include income from maintenance contracts for internally developed software amounting to ₹ 8,628 for the year ended 31 March 2024 (₹ 6,439 for year ended 31 March 2023) and other maintenance contracts amounting to ₹ 18,533 for the year ended 31 March 2024 (₹ 19,205 for the year ended 31 March 2023).

### b) Geographical information

The company is domiciled in India. The amount of its revenue from external customers broken down by location and non-current assets other than financial instruments, and deferred tax assets, broken down by location of the assets, is shown below:

Particulars	31 March 2024			31 March 2023		
	India	Rest of World	Total	India	Rest of World	Total
Revenue	46,415	2,634	49,049	34,130	4,905	39,035
Non - Current assets	2,614	-	2,614	2,235	107	2,342
Other Non current assets	19,525	6,768	26,293	18,493	2,710	21,203

### c) Customer information

Revenue from two customers amounting to ₹ 19,634 Lakhs (31 March 2023: ₹ 8,372 Lakhs), arising from sales in the system integration (FY 23-24: ₹ 13,310 Lakhs ; FY 2022-23: ₹ 5,003 Lakhs): and services segment (FY 2023-24: ₹ 6,324 Lakhs; FY 2021-22: ₹ 3,369 Lakhs)

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

	As at 31 March 2024	As at 31 March 2023
<b>40 Contingent liabilities</b>		
<b>a) Claims not acknowledged as debt</b>		
Sales tax	1,174	249
Income tax	1,836	1,717
Customs duty	236	236
Provident fund	-	184
Others	76	77
	<b>3,205</b>	<b>2,463</b>

**Note :**

(1) Sales Tax significantly represents claims against the group towards dispute on tax rates considered for certain services rendered by the group and non-realisation of export proceeds.

(2) As at 31 March 2024, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹ 1,836 Lakhs (₹ 1,717 Lakhs as at 31 March 2023). The claims against the Company majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as prior period expenses, Depreciation on Lease hold Improvements, application software, goodwill, IPO expenses, disallowances of profits earned by STPI unit, and certain provisions for employee benefits. Amount paid to statutory authorities against the tax claims amounted to ₹ 1,836 Lakhs and ₹ 1,717 Lakhs as at March 31, 2024 and March 31, 2023, respectively.

(3) Customs duty represents, claims against the company towards dispute on duty rates considered for import of certain goods.

(4) Provident fund represents claims against one of the subsidiary towards dispute on the wages considered for computation and remittance of defined benefit contributions.

These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the group's financial position and results of operations.

(5) Others represents, legal proceedings and claims, which have arisen in the ordinary course of business. The group's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the group's results of operations or financial condition.

**b) Show Cause Notice from SEBI**

During the year 2021-22, the Company had received a show cause notice from SEBI under sections 11(1), 11(4), 11(4A), 11 B(1) and 11 B(2) read with 15HA and 15HB of the Securities Exchange Board of India Act, 1992 ('SEBI Act'), and Rule 4(1) of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and Sections 12A(1), 12A(2) read with 23E and 23H of the Securities Contracts (Regulation) Act, 1956 ('SCRA') and Rule 4(1) of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 2005 in the matter of alleged mis-representation of financials / manipulation of books of accounts of Inspirisys Solutions Limited, in relation to FY 2012-13 to FY 2015-16 which was duly corrected and reported in earlier years. In this regard, SEBI has issued a Final Order dated September 20, 2023 and imposed a penalty amount of ₹ 10 Lakhs on the Company under Section 15HB of the SEBI Act and Section 23E of SCRA, which was paid by the Company. Further, penalties were also imposed by SEBI on certain current and ex-employees/officers of the Company on account of aforesaid matter which have been duly paid by such persons.

**41 Commitments**

	As at 31 March 2024	As at 31 March 2023
Capital commitments	8	-

Capital commitments represents payable towards purchase of a software under a non-cancellable contract. All other commitments are cancellable at the option of the company and hence not disclosed.

**42** The Group has accumulated losses amounting to ₹ 15,779 Lakhs. The current liabilities exceed the current asset by ₹ 2,253 Lakhs as at 31 March 2024. However, the current liabilities are predominantly current maturities of long term debt from Ultimate Holding Company, CAC Holding Corporation, Tokyo, Japan and the Group has undrawn facility of ₹ 9,775 Lakhs from banks as at 31 March 2024. Basis future business plans and the above mentioned undrawn facility, the Management is of the view that preparation of the consolidated financial statements using going concern basis of accounting is appropriate.

## Summary of material accounting policies and other explanatory information

₹ in Lakhs

- 43 The Holding Company is in receipt of resignation letter from one of the Independent Directors, Mr Raj Khalid, due to his name appearing in the list of disqualified directors released by the Registrar of Companies, Mumbai on 7 September 2017 and 3 February 2020, for reasons as more particularly provided therein. The Board of Directors has taken record of his resignation with effect from 30 April 2023 basis the resignation letter submitted and has taken required steps in reconstituting its committees where such director was a member. The Management is of the view that the stated events do not have a material impact on these financial statements or functioning of the Group.

### 44 Corporate Social Responsibility

Particulars	As at	As at
	31 March 2024	31 March 2023
Amount required to be spent as per section 35 of the Act	24	18
a) Gross amount required to be spent by the company during the year	24	18
b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above	24	18
c) Shortfall / (Excess) spent at the end of the year	-	-
d) Details of related party transactions	-	-
e) Whether any provision made based on contractual obligation to undertake CSR activity	-	-

### 45 Other Disclosures

- a) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- b) The Company has not availed borrowings from banks or financial institutions on the basis of security of current assets. Hence, no statements are filed by the Company with banks and financial institutions.
- c) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- d) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- e) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- f) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g) The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.

### 46 a) Additional information as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiary (31 March 2024)

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
<b>Parent</b>								
Inspirisys Solutions Limited	379%	11,111	6	2,161	(42%)	(45)	447%	2,116
<b>Indian subsidiary</b>								
Inspirisys Solutions IT Resources Limited	0%	(2)	(10%)	(36)	0%	-	(8%)	(36)
<b>Foreign subsidiary</b>								
Inspirisys Solutions DMCC	0%	8	876%	3,213	0%	-	678%	3,213
Inspirisys Solutions Japan Kabushiki Kaisha	(41%)	(1,199)	(25%)	(90)	0%	-	(19%)	(90)
Network Programs (USA) Inc.,	(18%)	(539)	(7%)	(26)	0%	-	(5%)	(26)
Inspirisys Solutions North America Inc., USA	(217%)	(6,366)	(1123%)	(4,118)	0%	-	(869%)	(4,118)
Inspirisys Solutions Europe Limited, UK	(12%)	(356)	1%	6	0%	-	1%	6
Adjustments arising on consolidation	9%	273	(200%)	(743)	142%	152	(125%)	(591)
	<b>100%</b>	<b>2,929</b>	<b>100%</b>	<b>367</b>	<b>100%</b>	<b>107</b>	<b>100%</b>	<b>474</b>



## Summary of material accounting policies and other explanatory information

₹ in Lakhs

### b) Additional information as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiary (31 March 2023)

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
<b>Parent</b>								
Inspirisys Solutions Limited	(1075%)	8,995	(707%)	1,795	2%	(10)	(195%)	1,785
<b>Indian subsidiary</b>								
Inspirisys Solutions IT Resources Limited	(4%)	32	-	-	-	-	0%	-
<b>Foreign subsidiary</b>								
Inspirisys Solutions DMCC	776%	(6,491)	789%	(2,003)	-	(6.00)	220%	(2,009)
Inspirisys Solutions Japan Kabushiki Kaisha	151%	(1,260)	23%	(58)	-	-	6%	(58)
Network Programs (USA) Inc.,	60%	(505)	7%	(18)	-	-	2%	(18)
Inspirisys Solutions North America Inc., USA	261%	(2,185)	(24%)	61	-	-	(7%)	61
Inspirisys Solutions Europe Limited, UK	42%	(349)	14%	(36)	-	-	4%	(36)
Adjustments arising on consolidation	(111%)	926	(2%)	5	98%	(646)	70%	(641)
	<b>100%</b>	<b>(837)</b>	<b>100%</b>	<b>(254)</b>	<b>101%</b>	<b>(662)</b>	<b>100%</b>	<b>(916)</b>

#### 47 Audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company is using CSMS a sub system for contract management. Data from CSMS sub-system is entered into Oracle ERP system by way of a manual entry. Whilst the company has enabled the audit trail feature for Oracle ERP system, the feature was not available in the CSMS sub-system at both application and database level for the year ended 31 March 2024. Subsequently, audit trail feature is added and enabled from 08 May 2024.

The Company is using iCSMS a sub system for maintenance of inventory and call management records. The inventory valuation data is entered into Oracle ERP system by way of a manual entry. Whilst the company has enabled the audit trail feature for Oracle ERP system, the feature was not enabled in the iCSMS sub-system at both application and database level for inventory valuation, Goods Inward Receipt Note (GIRN) and Stores transactions for the year ended 31 March 2024. Subsequently, audit trail feature is enabled from 08 May 2024.

#### 48 Events after reporting period.

No adjusting or significant non-adjusting events have occurred since the reporting date other than those disclosed.

#### Notes 1 to 48 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 Chandio & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

**Mehulkumar Sharadkumar Janani**  
Partner  
Membership No: 118617

**Place :** Chennai  
**Date :** 10 May 2024

For and on behalf of the Board of Directors of  
Inspirisys Solutions Limited

**Murali Gopalakrishnan**  
Executive Director & Chief Executive Officer  
DIN: 08066529

**Balaji Ramanujam**  
Chief Financial Officer

**Place :** Chennai  
**Date :** 10 May 2024

**Rajesh Ramniklal Muni**  
Director  
DIN: 00193527

**S Sundaramurthy**  
Company Secretary

**Place :** Chennai  
**Date :** 10 May 2024

# ANNUAL

# REPORT

## **INSPIRISYS SOLUTIONS 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](mailto:sundaramurthy.s@inspirisys.com)  
Website: [www.inspirisys.com](http://www.inspirisys.com)  
CIN : L30006TN1995PLC031736