

# **S K RAM ASSOCIATES**

Chartered Accountants  
Old No. 57/2, New No. 103  
P.S. Sivaswamy Salai, Mylapore  
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Phone : (91) (44) 24993637  
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## **INDEPENDENT AUDITOR'S REPORT**

To the members of Network Programs USA Inc

We have audited the attached Ind As financial statement of Network Programs USA Inc (hereinafter referred to as the "Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2023 and the statement of Profit and Loss (including other comprehensive income), statement of cash flows and the statement of changes in Equity for the year ended and a summary of significant accounting policies and other explanatory statements. These financial statements have been prepared by the Company's management as per Ind AS Principles adopted in India for the purpose of consolidating the company's financials with that of the holding company.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs and results of operations of the company in accordance with the Ind AS adopted in India; this includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair views and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by the ICAI. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design the audit procedure that are appropriate the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluation the overall presentation of the financial statements.

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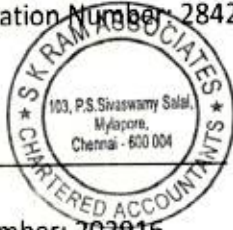
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion and to the best of our information and according to the explanation given to us, the financial statements give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March 2023, and of its results of operations for the year then ended in accordance with Generally Accepted Accounting Principles adopted in India, subject to note no. 1.12 to the financial statements for the year ended 31<sup>st</sup> March 2023.

For S K Ram Associates  
Chartered Accountants  
ICAI Firm Registration Number 2842S



**R. Balaji**

Membership Number: 202916

UDIN: 23202916BGPPEZ9936





Place of Signature: Chennai

Date: 9<sup>th</sup> May 2023

## Network Programs USA Inc.

Audited Balance sheet as at 31 March 2023

(All amounts in USD , unless otherwise stated)

Particulars	Notes	As at Mar 31, 2023	As at Mar 31, 2022
<b>ASSETS</b>			
Current assets			
Financial assets			
- Trade receivables	2.1	578,466	578,466
- Cash and cash equivalents	2.2	17,210	17,210
<b>Total</b>		<b>595,675</b>	<b>595,675</b>
<b>Assets Total</b>		<b>595,675</b>	<b>595,675</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	2.3	50,000	50,000
- Reserves and surplus	2.4	(664,938)	(641,780)
<b>Total</b>		<b>(614,938)</b>	<b>(591,780)</b>
Liabilities			
Current liabilities			
Financial liabilities			
- Borrowings	2.5	875,993	857,053
- Trade payables	2.6	268,763	268,763
- Other financial liabilities	2.7	65,858	61,640
<b>TOTAL</b>		<b>1,210,613</b>	<b>1,187,456</b>
<b>Liabilities Total</b>		<b>595,675</b>	<b>595,675</b>
Significant Accounting Policies & Other Notes	1		
Notes to the Balance Sheet	2		
As per our report of even date			
For S K RAM ASSOCIATES			
Firm Registration No.2842S			
Chartered Accountants			
		For and on behalf of the Board	
<b>R. Balaji</b>			
Membership No.202916		Director	Director
Place: Chennai, India			
Date : 09 May, 2023			

## Network Programs USA Inc.

### Audited Statement of Profit and loss account for Year ended 31 March 2023

(All amounts in USD , unless otherwise stated)

Particulars	Notes	Year ended 31 Mar 2023	Year ended 31 Mar 2022
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from operations		-	-
<b>Total revenue (I)</b>		-	-
<b>Expenses</b>			
Other expenses	3.1	4,340	431
<b>Total (II)</b>		<b>4,340</b>	<b>431</b>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		(4,340)	(431)
Finance costs (Net)	3.2	18,817	10,285
<b>Profit/(loss) before tax</b>		<b>(23,157)</b>	<b>(10,715)</b>
<b>Profit/(loss) for the year from continuing operations</b>		<b>(23,157)</b>	<b>(10,715)</b>

Significant Accounting Policies & Other Notes 1

Notes to the Statement of Profit and Loss Account 3

As per our report of even date

For S K RAM ASSOCIATES

Firm Registration No.2842S

Chartered Accountants

  
R. Balaji



Membership No.202916

For and on behalf of the Board

  
Director

  
Director

Place: Chennai, India

Date : 09 May, 2023

**NETWORK PROGRAMS USA INC**

**Cash Flow Statement for the year ended**  
(All amounts in USD , unless otherwise stated)

Particulars	Year ended 31 Mar 2023	Year ended 31 Mar 2022
<b><u>Cash flows from operating activities</u></b>		
Net profit / (loss) for the year before tax Adjustment for:	(23,157)	(10,715)
Depreciation on fixed assets	-	-
<b>Operating profit / (loss) before reinvestment of capital</b>	<b>(23,157)</b>	<b>(10,715)</b>
(Increase)/Decrease in Trade receivables	-	0
(Increase)/Decrease in current assets	-	-
Increase/(Decrease) in trade and other payables	4,218	(1,987)
<b>Cash generated from / (used in) operations</b>	<b>(18,939)</b>	<b>(12,703)</b>
<u>Tax (paid)</u>	-	-
<b>Net cash flows from operating activities</b>	<b>(18,939)</b>	<b>(12,703)</b>
<b><u>Cash flows from investing activities:</u></b>		
Acquisition of non current assets & CWIP	-	-
<b>Net cash flows from/ (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b><u>Cash flows from financing activities:</u></b>		
Proceeds from Long-term borrowings	-	-
Proceeds from inter-company	18,939	12,703
<b>Net cash flows from/ (used in) financing activities</b>	<b>18,939</b>	<b>12,703</b>
<b><u>Net Increase/(decrease) in cash &amp; cash equivalents</u></b>	<b>0</b>	<b>0</b>
Cash & cash equivalents at the beginning of the year	17,210	17,210
<b>Cash &amp; Cash equivalents at end of the year</b>	<b>17,210</b>	<b>17,210</b>

As per our report of even date

For S K RAM ASSOCIATES

Firm Registration No.2842S

Chartered Accountants

  
R. Balaji

Membership No.202916



For and on behalf of the Board



Director



Director

Place: Chennai, India

Date : 09 May, 2023

## Network Programs USA Inc.

### 2. Notes to the balance sheet as at 31 March 2023

(All amounts in USD , unless otherwise stated)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>2.1 Trade receivables</b>		
Current		
Considered good	578,466	578,466
Considered doubtful		
<b>Total</b>	<b>578,466</b>	<b>578,466</b>
<b>2.2 Cash and bank balances</b>		
Cash and cash equivalents		
Balances with banks - current accounts	17,210	17,210
<b>Total</b>	<b>17,210</b>	<b>17,210</b>
<b>2.3 Share capital</b>		
Issued, Subscribed & Paid up		
1500 (March 31,2019:1500) equity shares without per value	50,000	50,000
<b>2.4 Other Equity</b>		
Retained earnings	(641,780)	(631,065)
Profit / (Loss) For The Year	(23,157)	(10,715)
Balance as at the end of the year	(664,938)	(641,780)
<b>Total</b>	<b>(664,938)</b>	<b>(641,780)</b>
<b>2.5 Borrowings</b>		
Current		
Unsecured		
Loans and advances from related parties	875,993	857,053
<b>Total</b>	<b>875,993</b>	<b>857,053</b>
<b>2.6 Trade payables</b>		
Dues other than MSMED	268,763	268,763
<b>Total</b>	<b>268,763</b>	<b>268,763</b>
<b>2.7 Other financial liabilities</b>		
Other accrued liabilities	65,858	61,640
<b>Total</b>	<b>65,858</b>	<b>61,640</b>

## Network Programs USA Inc.

### 3. Notes to the Statement of Profit and Loss account for Year ended 31 March 2023

*(All amounts in USD , unless otherwise stated)*

<b>Particulars</b>	<b>Year ended 31 Mar 2023</b>	<b>Year ended 31 Mar 2022</b>
<b>3.1 Other expenses</b>		
Legal and professional fees	4,340	-
Rates and taxes		431
Miscellaneous expenses		-
<b>Total</b>	<b>4,340</b>	<b>431</b>
<b>3.2 Finance costs</b>		
Interest	18,817	10,285
Bank charges & Commission		-
<b>Total</b>	<b>18,817</b>	<b>10,285</b>

## NETWORK PROGRAMS USA INC

### 1. Other Notes forming part of Financial Statements for the Year Ended March 31, 2023

(All amounts in US Dollars , unless otherwise stated)

#### 1.1 Legal status and business activity:

NETWORK PROGRAMS USA INC, a company incorporated under the state laws of Delaware, USA. The company is primarily engaged in rendering software services.

#### 1.2 Tangible Assets:

There is no Fixed Assets in the company.

#### 1.3 Sundry debtors / Sundry creditors / Loans & advances

The company has sought for confirmation from concerned parties in respect of major balances stated at their values shown under sundry debtors, sundry creditors and loans & advances outstanding as at the year end, which is subject to confirmation.

#### 1.4 REVENUE RECOGNITION:

Revenue is generally accounted for on accrual basis and is recognized as follows:

a) Services: Revenue is recognized over the period in which the service is provided.

b) Software services:

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues.

Revenue from fixed-price and fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the percentage of completion method. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

#### 1.5 RELATED PARTIES TRANSACTION

Name of the Party	Nature of Relationship
Inspirisys Solutions Limited, India	Holding company
CAC Holdings Corporation Japan	Ultimate Holding Company
Inspirisys Solutions North America Inc	Fellow Subsidiary
Inspirisys Solutions Japan Kabushiki Kaishai	Fellow Subsidiary
Inspirisys Solutions Europe Ltd UK	Fellow Subsidiary

#### KEY MANAGERIAL PERSONNEL:

Mr. Malcolm F. Mehta (Ceased to be Director w.e.f. 31.10.2022)	Director
Mr. Murali Gopalakrishnan	Director
Mr. Milind Kalurkar	Director
Mr. Renu Don Rozario	Director

#### 1.6. The transactions with its related parties are as follows :

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary
Receivables		-	578,466
			(578,466)
Payables		268,763	
		(268,763)	
Unsecured Loan	300,000	-	608,529
	(300,000)		(557,053)

Note: Item under parenthesis represent previous year figures



**1.7. RELATED PARTY INTEREST IN CONTRACTS:**

The key persons of the company are neither directly nor indirectly interested in any contract with the company other than the following:

Mr. Murali Gopalakrishnan is the key person of the company and is also the Executive Director of Inspirisys Solutions Limited, the holding company.

**1.8. Capital Commitments:**

The Company has no capital commitments, which would require disclosure as at March 31, 2023

**1.9. Contingent Liabilities:**

There are no contingent liabilities as at the balance sheet date, which would require provision or disclosure.

**1.10. Earning per Share**

The earnings considered in ascertaining the company's basic and diluted earnings per share comprise of the net profit/(loss) after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing the diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of shares if any which would have been issued on the conversion of all dilutive potential equity shares.

**1.11. Measurement of EBITDA**

The company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement does not include depreciation and amortization expense, finance costs and tax expense

**1.12. Going Concern**

The Company incurred a net loss of USD 0.23 lakhs during the year ended March 31, 2023, as of that date, the Company's current liabilities exceeded its total assets by USD 6.15 Lakhs. However, the long term liabilities and current liabilities are predominantly due to Ultimate Holding Company and fellow subsidiary Companies. The Management of the Holding Company is confident of infusing capital into the Company after getting necessary approval from the regulatory authorities to repay the debts and liabilities of the company and this will enable the company to operate as a Going Concern. Accordingly, no adjustments have been made to the carrying amount of the assets and liabilities and these financial statements have been prepared using the going concern concept.

**1.13. Comparative Figures:**

The previous year's balances have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

As per our report attached

For S K RAM ASSOCIATES  
Firm Registration No.2842S  
Chartered Accountants

  
R. Balaji  
Membership No.202916



Place: Chennai, India  
Date : 09 May, 2023

For and on behalf of the Board

  
Director

  
Director