

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 31st March 2020 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.

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 31st March 2020, and of its results of operations for the year then ended in accordance with Generally Accepted Accounting Principles adopted in India.

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



R. Balaji

Membership Number: 202916

Place of Signature: Chennai

Date: 31st May 2020

NETWORK PROGRAMS USA INC

Audited Balance sheet as at 31st Mar 2020

(All amounts in USD lakhs, unless otherwise stated)

	Notes	As at Mar 31, 2020	As at Mar 31, 2019
Assets			
Current assets			
Financial assets			
- Trade receivables	2.1	5.79	5.59
- Cash and cash equivalents	2.2	0.17	0.17
Other current assets	2.3	-	0.05
Total		5.96	5.81
Assets Total		5.96	5.81
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.4	0.50	0.50
- Reserves and surplus	2.5	(6.06)	(5.75)
Total		(5.56)	(5.25)
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	2.6	5.28	5.05
Total		5.28	5.05
Current liabilities			
Financial liabilities			
- Trade payables	2.7	2.69	2.51
- Other financial liabilities	2.8	3.55	3.50
TOTAL		6.24	6.01
Liabilities Total		5.96	5.81
Significant Accounting Policies & Other Notes			
Notes to the Balance Sheet	1		
As per our report of even date	2		

For S K RAM ASSOCIATES

Firm Registration No.2842S

Chartered Accountants


R. Balaji

Membership No.202916

Place: Chennai, India

Date : 31st May 2020

For and on behalf of the Board


Director
MFM
1/12


Director
MG

NETWORK PROGRAMS USA INC

Audited Statement of Profit and loss account for Financial year ended 31st Mar 2020

(All amounts in USD lakhs, unless otherwise stated)

	Notes	31 Mar 2020	31 Mar 2019
Continuing operations			
Income			
Revenue from operations	3.1	0.15	0.73
Total revenue (I)		0.15	0.73
Expenses			
Cost of Services	3.2	0.13	0.65
Other expenses	3.3	0.14	0.14
Total (II)		0.27	0.79
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		(0.12)	(0.07)
Finance costs (Net)	3.4	0.18	0.17
Profit/(loss) before tax		(0.30)	(0.24)
Profit/(loss) for the year from continuing operations		(0.30)	(0.24)

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

Place: Chennai, India

Date : 31st May 2020

For and on behalf of the Board

M. Mehta.

Director

Mfm

2/12

M. G.

Director

MG

NETWORK PROGRAMS USA INC*(All amounts in USD lakhs, unless otherwise stated)***Cash Flow Statement for the year ended****31 Mar 2020****31 Mar 2019****Cash flows from operating activities**

Net profit / (loss) for the year before tax	(0.30)	(0.24)
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Adjustment for:		
Depreciation on fixed assets	-	-

Operating profit / (loss) before reinvestment of capital	(0.30)	(0.24)
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(Increase)/Decrease in Trade receivables	(0.20)	(0.68)
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(Increase)/Decrease in current assets	0.05	
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Increase/(Decrease) in trade and other payables	0.22	0.03
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Cash generated from / (used in) operations	(0.23)	(0.89)
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Tax (paid)	-	-
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Net cash flows from operating activities	(0.23)	(0.89)
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Cash flows from investing activities:

Acquisition of non current assets & CWIP

Net cash flows from/ (used in) investing activities	-	-
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Cash flows from financing activities:

Proceeds from Long-term borrowings		(2.50)
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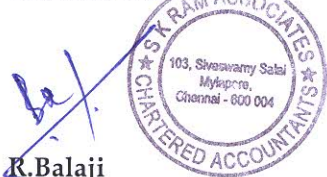
Proceeds from inter-company	0.23	3.19
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Net cash flows from/ (used in) financing activities	0.23	0.69
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<u>Net Increase/(decrease) in cash & cash equivalents</u>	(0.00)	(0.19)
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Cash & cash equivalents at the beginning of the year	0.17	0.37
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Cash & Cash equivalents at end of the year	0.17	0.17
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*As per our report of even date***For S K RAM ASSOCIATES****Firm Registration No.2842S***Chartered Accountants***R. Balaji****Membership No.202916**

Place: Chennai, India

Date : 31st May 2020

For and on behalf of the Board*M. Mehta.***Director**

Mfm

3/12

*M. G.***Director**

MG

NETWORK PROGRAMS USA INC

	As at Mar 31, 2020	As at Mar 31, 2019
2. Notes to the balance sheet for Financial year ended 31st Mar 2019		
<i>(All amounts in USD lakhs, unless otherwise stated)</i>		
2.1 Trade receivables		
Current		
Considered good	5.79	5.59
Considered doubtful		
Total	5.79	5.59
2.2 Cash and bank balances		
Cash and cash equivalents		
Balances with banks - current accounts	0.17	0.17
Total	0.17	0.17
2.3 Other current assets		
Unbilled revenue	-	0.05
Total	-	0.05
2.4 Share capital		
Issued, Subscribed & Paid up		
1500 (March 31,2019:1500) equity shares without per value	0.50	0.50
2.5 Other Equity		
Retained earnings	(5.76)	(5.52)
Profit / (Loss) For The Year	(0.30)	(0.24)
Balance as at the end of the year	(6.06)	(5.76)
Total	(6.06)	(5.76)
2.6 Borrowings		
Non-current		
Unsecured		
Loans and advances from related parties	5.28	5.05
Total	5.28	5.05
2.7 Trade payables		
Dues other than MSMED	2.69	2.51
Total	2.69	2.51
2.8 Other financial liabilities		
Current maturities of long term borrowings	3.00	3.00
Other accrued liabilities	0.55	0.50
Total	3.55	3.50

NETWORK PROGRAMS USA INC

31 Mar 2020 March 31, 2019

3. Notes to the Statement of Profit and Loss account for Financial year ended 31st Mar 2020

(All amounts in USD lakhs, unless otherwise stated)

3.1 Revenue from operations

Revenue from operations

Sale of services

0.15 0.73

Revenue from operations (net)

0.15 0.73

3.2 Cost of Services

Sub-contracting and outsourcing cost

0.13 0.65

0.13 0.65

3.3 Other expenses

Legal and professional fees

0.13 0.14

Miscellaneous expenses

0.01 0.00

Total

0.14 0.14

3.4 Finance costs

Interest

0.18 0.17

Bank charges & Commission

-

Total

0.18 0.17

NETWORK PROGRAMS USA INC

(All amounts in US Dollars lakhs, unless otherwise stated)

1. Other Notes forming part of Financial Statements for the Year Ended March 31, 2020.

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

Inspirisys Solutions Limited, India
CAC Holdings Corporation Japan
Inspirisys Solutions North America Inc
Inspirisys Solutions Japan Kabushiki Kaishai
Inspirisys Solutions Europe Ltd UK

Nature of Relationship

Holding company
Ultimate Holding Company
Fellow Subsidiary
Fellow Subsidiary
Fellow Subsidiary

KEY MANAGERIAL PERSONNEL:

Shri. Malcolm F. Mehta

Director

Shri. Murali Gopalakrishnan

Director




NETWORK PROGRAMS USA INC

(All amounts in US Dollars lakhs, unless otherwise stated)

1. Other Notes forming part of Financial Statements for the Year Ended March 31, 2020.

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

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary
Purchases		0.1	-
		(0.6)	-
Sales		-	0.1
		-	(0.7)
Receivables		-	5.8
		-	(5.6)
Payables		2.7	5.3
		(2.5)	(5.8)
Unsecured Loan	3	-	-
	(3.0)	-	-

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:

Shri Malcolm F Mehta 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, 2019.

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. 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

Place: Chennai, India

Date : 31st May 2020

For and on behalf of the Board

M. Mehta

Director

Mfm

4/12

[Signature]

Director

M G