

## **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 2021 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.

# **S K RAM ASSOCIATES**

Chartered Accountants  
Old No. 57/2, New No. 103  
P.S. Sivaswamy Salai, Mylapore  
Chennai 600 004. INDIA  
skram1.associates@gmail.com

Phone : (91) (44) 24993637  
(91) (44) 24991644

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 2021, and of its results of operations for the year then ended in accordance with Generally Accepted Accounting Principles adopted in India.

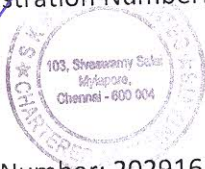
For S K Ram Associates  
Chartered Accountants  
ICAI Firm Registration Number: 2842S

  
**R. Balaji**

Membership Number: 202916

Place of Signature: Chennai

Date: 05<sup>th</sup> May 2021



NETWORK PROGRAMS USA INC

Audited Balance sheet as at 31st Mar 2021

(All amounts in USD lakhs, unless otherwise stated)

Particulars	Notes	As at Mar 31, 2021	As at Mar 31, 2020
<b>Assets</b>			
<b>Current assets</b>			
Financial assets			
- Trade receivables	2.1	5.79	5.79
- Cash and cash equivalents	2.2	0.17	0.17
Other current assets	2.3	-	0.00
<b>Total</b>		<b>5.96</b>	<b>5.96</b>
<b>Assets Total</b>		<b>5.96</b>	<b>5.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	2.4	0.50	0.50
- Reserves and surplus	2.5	(6.31)	(6.06)
<b>Total</b>		<b>(5.81)</b>	<b>(5.56)</b>
<b>Liabilities</b>			
Non-current liabilities			
Financial liabilities			
- Borrowings	2.6	5.44	5.28
<b>Total</b>		<b>5.44</b>	<b>5.28</b>
<b>Current liabilities</b>			
Financial liabilities			
- Trade payables	2.7	2.69	2.69
- Other financial liabilities	2.8	3.64	3.55
<b>TOTAL</b>		<b>6.33</b>	<b>6.24</b>
<b>Liabilities Total</b>		<b>5.96</b>	<b>5.96</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

R.Balaji

Membership No.202916

Place: Chennai, India

Date : 05th May 2021

For and on behalf of the Board

*M. Melita*

Director

*M. Melita*

Director

NETWORK PROGRAMS USA INC

Audited Statement of Profit and loss account for Financial year ended 31st Mar 2021

(All amounts in USD lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31-03-2021	For the year ended 31-03-2020
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from operations	3.1	-	0.15
<b>Total revenue (I)</b>		<b>-</b>	<b>0.15</b>
<b>Expenses</b>			
Cost of Services	3.2	-	0.13
Other expenses	3.3	0.13	0.14
<b>Total (II)</b>		<b>0.13</b>	<b>0.27</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)</b>		<b>(0.13)</b>	<b>(0.12)</b>
Finance costs (Net)	3.4	0.12	0.18
<b>Profit/(loss) before tax</b>		<b>(0.25)</b>	<b>(0.30)</b>
<b>Profit/(loss) for the year from continuing operations</b>		<b>(0.25)</b>	<b>(0.30)</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

Place: Chennai, India

Date : 05th May 2021

For and on behalf of the Board

  
Director

  
Director



# NETWORK PROGRAMS USA INC

## Cash Flow Statement for the year ended

(All amounts in USD lakhs, unless otherwise stated)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
<b><u>Cash flows from operating activities</u></b>		
Net profit / (loss) for the year before tax Adjustment for:	(0.25)	(0.30)
Depreciation on fixed assets	-	-
<b>Operating profit / (loss) before reinvestment of capital</b>	<b>(0.25)</b>	<b>(0.30)</b>
(Increase)/Decrease in Trade receivables	(0.00)	(0.20)
(Increase)/Decrease in current assets	-	0.05
Increase/(Decrease) in trade and other payables	0.09	0.22
<b>Cash generated from / (used in) operations</b>	<b>(0.17)</b>	<b>(0.23)</b>
Tax (paid)	-	-
<b>Net cash flows from operating activities</b>	<b>(0.17)</b>	<b>(0.23)</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	0.16	0.23
<b>Net cash flows from/ (used in) financing activities</b>	<b>0.16</b>	<b>0.23</b>
<b><u>Net Increase/(decrease) in cash &amp; cash equivalents</u></b>	<b>(0.00)</b>	<b>(0.00)</b>
Cash & cash equivalents at the beginning of the year	0.17	0.17
<b>Cash &amp; Cash equivalents at end of the year</b>	<b>0.17</b>	<b>0.17</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

M. Melita  
Director

Director

Place: Chennai, India  
Date : 05th May 2021

# NETWORK PROGRAMS USA INC

## 2. Notes to the balance sheet for Financial year ended 31st Mar 2021

(All amounts in USD lakhs, unless otherwise stated)

Particulars	As at Mar 31, 2021	As at Mar 31, 2020
<b>2.1 Trade receivables</b>		
<b>Current</b>		
Considered good	5.79	5.79
Considered doubtful		
<b>Total</b>	<b>5.79</b>	<b>5.79</b>
<b>2.2 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks - current accounts	0.17	0.17
<b>Total</b>	<b>0.17</b>	<b>0.17</b>
<b>2.3 Other current assets</b>		
Unbilled revenue	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>2.4 Share capital</b>		
<b>Issued, Subscribed &amp; Paid up</b>		
1500 (March 31,2019:1500) equity shares without per value	0.50	0.50
<b>2.5 Other Equity</b>		
Retained earnings	(6.06)	(5.76)
Profit / (Loss) For The Year	(0.25)	(0.30)
<b>Balance as at the end of the year</b>	<b>(6.31)</b>	<b>(6.06)</b>
<b>Total</b>	<b>(6.31)</b>	<b>(6.06)</b>
<b>2.6 Borrowings</b>		
<b>Non-current</b>		
<b>Unsecured</b>		
Loans and advances from related parties	5.44	5.28
<b>Total</b>	<b>5.44</b>	<b>5.28</b>
<b>2.7 Trade payables</b>		
Dues other than MSMED	2.69	2.69
<b>Total</b>	<b>2.69</b>	<b>2.69</b>
<b>2.8 Other financial liabilities</b>		
Current maturities of long term borrowings	3.00	3.00
Other accrued liabilities	0.64	0.55
<b>Total</b>	<b>3.64</b>	<b>3.55</b>

NETWORK PROGRAMS USA INC

3. Notes to the Statement of Profit and Loss account for Financial year ended 31st Mar 2021

(All amounts in USD lakhs, unless otherwise stated)

Particulars	For the year ended 31-03-2021	For the year ended 31-03-2020
<b>3.1 Revenue from operations</b>		
Sale of services	-	0.15
<b>Revenue from operations (net)</b>	<b>-</b>	<b>0.15</b>
<b>3.2 Cost of Services</b>		
Sub-contracting and outsourcing cost	-	0.13
	<b>-</b>	<b>0.13</b>
<b>3.3 Other expenses</b>		
Legal and professional fees	0.13	0.13
Miscellaneous expenses	0.00	0.01
<b>Total</b>	<b>0.13</b>	<b>0.14</b>
<b>3.4 Finance costs</b>		
Interest	0.12	0.18
Bank charges & Commission	-	-
<b>Total</b>	<b>0.12</b>	<b>0.18</b>

## NETWORK PROGRAMS USA INC

### 1. Other Notes forming part of Financial Statements for the Year Ended March 31, 2021

(All amounts in US Dollars lakhs, 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**

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  
Shri. Murali Gopalakrishnan

Director  
Director



NETWORK PROGRAMS USA INC

1. Other Notes forming part of Financial Statements for the Year Ended March 31, 2021

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

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary
Purchases		- (0.6)	-
Sales		-	- (0.7)
Receivables		-	5.8 (5.6)
Payables		2.7 (2.5)	5.4 (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, 2021

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  
Membership No.202916

Place: Chennai, India  
Date : 05th May 2021

For and on behalf of the Board

M. Mehta  
Director

  
Director