



# Cranes Software International Limited

*Redg. Office:*

#2, Tavarekere, Bannerghatta Road, BTM Layout,  
1st Stage, 1st Phase, Bangalore - 560 029, INDIA

Ph: +91 80 4128 1111

Fax: +91 80 4128 0203

Email: [info@cranessoftware.com](mailto:info@cranessoftware.com)

30<sup>th</sup> May, 2017

To,  
The National Stock Exchange of India Ltd.  
Exchange Plaza  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400 051.

Dear Sir,

**Sub: Meeting of the Board of Directors**  
**Ref: CRANESOFT – EQ**

Further to our letter dt. 22<sup>nd</sup> May, 2017 informing you of the Board of Directors Meeting, we wish to inform you that at the meeting of the Board of Directors held today (30<sup>th</sup> May, 2017), the Board has:

- Approved and taken on record the audited financial results for the year ended 31st March, 2017. The results are enclosed herewith for your information / records.
- The Auditor's Report is also enclosed for your reference.
- No dividend payout has been declared for the financial year 2016-2017 in order to conserve cash reserves.

Thanking you,

Yours faithfully,  
**For Cranes Software International Ltd.**

**Authorised Signatory**

Encl: as above

CRANES SOFTWARE INTERNATIONAL LIMITED  
Regd Office :# 2, Tavarekere, Bannerghatta Road, Stage-1, Phase-1, BTM Layout  
BANGALORE - 560 029.

Statement of Audited Financial Result for the Quarter and Year Ended 31st March, 2017

PART-1

| SL. No. | Particulars                                                                                   | Standalone     |               |                 |                 |                 | Consolidated    |                 |                  |                  |                  |
|---------|-----------------------------------------------------------------------------------------------|----------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
|         |                                                                                               | 3 Months Ended |               |                 | Year Ended      |                 | 3 Months Ended  |                 |                  | Year Ended       |                  |
|         |                                                                                               | 31.03.2017     | 31.12.2016    | 31.03.2016      | 31.03.2017      | 31.03.2016      | 31.03.2017      | 31.12.2016      | 31.03.2016       | 31.03.2017       | 31.03.2016       |
|         |                                                                                               | Audited        | Unaudited     | Audited         | Audited         | Audited         | Audited         | Unaudited       | Audited          | Audited          | Audited          |
| 1       | <b>Income from Operations</b>                                                                 |                |               |                 |                 |                 |                 |                 |                  |                  |                  |
|         | (a) Net sales/income from operations                                                          | 197.19         | 198.69        | 163.84          | 780.47          | 854.85          | 8,240.67        | 7,959.47        | 9,593.55         | 32,548.29        | 38,808.65        |
|         | (b) Other operating income                                                                    |                |               |                 |                 |                 |                 |                 |                  |                  |                  |
|         | <b>Total income from operations (Net)</b>                                                     | <b>197.19</b>  | <b>198.69</b> | <b>163.84</b>   | <b>780.47</b>   | <b>854.85</b>   | <b>8,240.67</b> | <b>7,959.47</b> | <b>9,593.55</b>  | <b>32,548.29</b> | <b>38,808.65</b> |
| 2       | <b>Expenses</b>                                                                               |                |               |                 |                 |                 |                 |                 |                  |                  |                  |
|         | (a) Cost of materials consumed                                                                | -              | -             | 0.32            | 0.73            | 0.68            | 4,891.46        | 5,850.17        | 5,991.54         | 22,225.92        | 22,389.06        |
|         | (b) Purchase of Stock-in-Trade                                                                |                |               |                 |                 |                 |                 |                 |                  |                  |                  |
|         | (c) Changes in inventories of finished goods and work-in-progress                             | 1.21           | 0.37          | 1.36            | 4.73            | 6.50            | 115.05          | 0.37            | (252.54)         | 118.56           | (247.40)         |
|         | (d) Employee benefit expense                                                                  | 88.00          | 73.17         | 43.92           | 300.89          | 363.03          | 2,252.47        | 1,220.20        | 2,173.74         | 5,907.95         | 10,010.85        |
|         | (e) Depreciation and amortization expense                                                     | 309.08         | 309.08        | 212.41          | 1,236.33        | 1,426.50        | 719.91          | 782.05          | 675.61           | 3,041.37         | 3,209.52         |
|         | (f) Other expenses                                                                            | 16.00          | 47.91         | 1,183.11        | 180.97          | 2,405.09        | 854.96          | 893.80          | 4,733.24         | 3,864.89         | 9,737.39         |
|         | <b>Total Expenses</b>                                                                         | <b>414.29</b>  | <b>430.53</b> | <b>1,441.12</b> | <b>1,723.65</b> | <b>4,201.80</b> | <b>8,833.84</b> | <b>8,746.59</b> | <b>13,321.60</b> | <b>35,158.69</b> | <b>45,099.43</b> |
| 3       | Profit/(Loss) from operations before other income, finance costs & exceptional items (1-2)    | (217.10)       | (231.84)      | (1,277.29)      | (943.18)        | (3,346.96)      | (593.16)        | (787.12)        | (3,728.05)       | (2,610.40)       | (6,290.79)       |
| 4       | Other income                                                                                  | 99.65          | 1,801.21      | 446.85          | 2,149.49        | 483.30          | 171.89          | 1,803.54        | 504.85           | 2,235.61         | 690.82           |
| 5       | Profit/(Loss) from ordinary activities before finance costs & exceptional items (3+4)         | (117.45)       | 1,569.37      | (830.44)        | 1,206.31        | (2,863.66)      | (421.28)        | 1,016.42        | (3,223.20)       | (374.79)         | (5,599.97)       |
| 6       | Finance costs                                                                                 | 3,088.44       | 3,099.21      | 1,067.01        | 11,968.80       | 9,071.03        | 3,148.92        | 3,187.20        | 1,051.90         | 12,166.77        | 9,309.34         |
| 7       | Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6) | (3,205.90)     | (1,529.83)    | (1,897.44)      | (10,762.49)     | (11,934.68)     | (3,570.20)      | (2,170.78)      | (4,275.10)       | (12,541.56)      | (14,909.30)      |
| 8       | Exceptional items                                                                             | 2.90           | -             | 4.08            | 4.50            | 11.27           | (6.88)          | (8.54)          | 4.08             | (13.82)          | 11.27            |
| 9       | Profit/(Loss) from ordinary activities before tax (7-8)                                       | (3,208.79)     | (1,529.83)    | (1,901.52)      | (10,766.98)     | (11,945.95)     | (3,563.32)      | (2,162.24)      | (4,279.18)       | (12,527.74)      | (14,920.57)      |
| 10      | Tax expenses                                                                                  | (1,056.53)     | (504.54)      | (576.54)        | (3,516.57)      | (4,035.07)      | (1,043.90)      | (735.61)        | 85.33            | (3,617.80)       | (3,714.67)       |
| 11      | Net Profit/(Loss) from ordinary activities after tax (9-10)                                   | (2,152.26)     | (1,025.29)    | (1,324.98)      | (7,250.41)      | (7,910.88)      | (2,519.42)      | (1,426.63)      | (4,364.51)       | (8,909.94)       | (11,205.91)      |
| 12      | Extraordinary items                                                                           | -              | -             | -               | -               | -               | -               | -               | -                | -                | -                |
| 13      | Net Profit/(Loss) for the period (11-12)                                                      | (2,152.26)     | (1,025.29)    | (1,324.98)      | (7,250.41)      | (7,910.88)      | (2,519.42)      | (1,426.63)      | (4,364.51)       | (8,909.94)       | (11,205.91)      |
| 14      | Minority interest                                                                             | -              | -             | -               | -               | -               | -               | -               | -                | -                | -                |
| 15      | Net Profit/(Loss) after taxes & minority interest (13+14)                                     | (2,152.26)     | (1,025.29)    | (1,324.98)      | (7,250.41)      | (7,910.88)      | (2,519.42)      | (1,426.63)      | (4,364.51)       | (8,909.94)       | (11,205.91)      |
| 16      | Paid-up equity share capital (Face value of Rs.2/-)                                           | 2355.34        | 2355.34       | 2355.34         | 2355.34         | 2355.34         | 2355.34         | 2355.34         | 2355.34          | 2355.34          | 2355.34          |
| 17      | Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year       |                |               |                 | (27,760.78)     | (20,510.58)     |                 |                 |                  | (36,101.04)      | (29,451.94)      |
| 18 i    | Earnings Per Share (before extraordinary items)                                               |                |               |                 |                 |                 |                 |                 |                  |                  |                  |
|         | i) Basic                                                                                      | (1.83)         | (0.87)        | (1.13)          | (6.16)          | (6.72)          | (2.14)          | (1.21)          | (3.71)           | (7.57)           | (9.52)           |
|         | ii) Diluted                                                                                   | (1.83)         | (0.87)        | (1.13)          | (6.16)          | (6.72)          | (2.14)          | (1.21)          | (3.71)           | (7.57)           | (9.52)           |
| 18 ii   | Earnings Per Share (after extraordinary items)                                                |                |               |                 |                 |                 |                 |                 |                  |                  |                  |
|         | i) Basic                                                                                      | (1.83)         | (0.87)        | (1.13)          | (6.16)          | (6.72)          | (2.14)          | (1.21)          | (3.71)           | (7.57)           | (9.52)           |
|         | ii) Diluted                                                                                   | (1.83)         | (0.87)        | (1.13)          | (6.16)          | (6.72)          | (2.14)          | (1.21)          | (3.71)           | (7.57)           | (9.52)           |



**CRANES SOFTWARE INTERNATIONAL LIMITED**  
Select Information for the Quarter and Year ended 31st March 2017

**PART-2**

| SL No    | PARTICULARS                                                                              | 3 Months Ended |             |             | Year ended  |             |
|----------|------------------------------------------------------------------------------------------|----------------|-------------|-------------|-------------|-------------|
|          |                                                                                          | 31.03.2017     | 31.12.2016  | 31.03.2016  | 31.03.2017  | 31.03.2016  |
| <b>A</b> | <b>PARTICULARS OF SHAREHOLDING</b>                                                       |                |             |             |             |             |
| 1        | Public Shareholding                                                                      |                |             |             |             |             |
|          | - Number of shares                                                                       | 110,247,850    | 110,247,850 | 110,247,850 | 110,247,850 | 110,247,850 |
|          | - Percentage of shareholding                                                             | 93.62%         | 93.62%      | 93.62%      | 93.62%      | 93.62%      |
| 2        | Promoters and Promoter Group Shareholding                                                |                |             |             |             |             |
|          | (a) Pledged / Encumbered                                                                 |                |             |             |             |             |
|          | - Number of shares                                                                       | 1,000,000      | 1,000,000   | 1,000,000   | 1,000,000   | 1,000,000   |
|          | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 13.30%         | 13.30%      | 13.30%      | 13.30%      | 13.30%      |
|          | - Percentage of shares (as a % of the total share capital of the company)                | 0.85%          | 0.85%       | 0.85%       | 0.85%       | 0.85%       |
|          | (b) Non-encumbered                                                                       |                |             |             |             |             |
|          | - Number of shares                                                                       | 6,519,000      | 6,519,000   | 6,519,000   | 6,519,000   | 6,519,000   |
|          | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 86.70%         | 86.70%      | 86.70%      | 86.70%      | 86.70%      |
|          | - Percentage of shares (as a % of the total share capital of the company)                | 5.54%          | 5.54%       | 5.54%       | 5.54%       | 5.54%       |

|          |                                                               |                             |                                |                                                |
|----------|---------------------------------------------------------------|-----------------------------|--------------------------------|------------------------------------------------|
| <b>B</b> | <b>INVESTOR COMPLAINTS FOR 3 MONTHS ENDED 31ST MARCH 2017</b> |                             |                                |                                                |
|          | Pending at the beginning of the quarter                       | Received during the quarter | Disposed of during the quarter | Remaining unresolved at the end of the quarter |
|          | -                                                             | -                           | -                              |                                                |



**CRANES SOFTWARE INTERNATIONAL LIMITED**  
**Segment Wise Revenue, Results & Capital Employed for the Quarter and Year ended 31st March 2017**

(Rs.In Lakhs)

| SL. No. | Particulars                                                                 | Standalone     |            |            |             |             | Consolidated   |            |            |             |             |
|---------|-----------------------------------------------------------------------------|----------------|------------|------------|-------------|-------------|----------------|------------|------------|-------------|-------------|
|         |                                                                             | 3 Months Ended |            |            | Year Ended  |             | 3 Months Ended |            |            | Year Ended  |             |
|         |                                                                             | 31.03.2017     | 31.12.2016 | 31.03.2016 | 31.03.2017  | 31.03.2016  | 31.03.2017     | 31.12.2016 | 31.03.2016 | 31.03.2017  | 31.03.2016  |
|         |                                                                             | Audited        | Unaudited  | Audited    | Audited     | Audited     | Audited        | Unaudited  | Audited    | Audited     | Audited     |
| 1       | Segment revenue                                                             |                |            |            |             |             |                |            |            |             |             |
|         | (a) International                                                           | 135.15         | 159.38     | 115.51     | 583.88      | 644.44      | 8,158.15       | 7,842.07   | 9,448.68   | 32,178.08   | 38,355.61   |
|         | (b) Domestic                                                                | 62.04          | 39.31      | 48.33      | 196.60      | 210.40      | 82.52          | 117.40     | 144.87     | 370.21      | 453.03      |
|         | Total                                                                       | 197.19         | 198.69     | 163.84     | 780.47      | 854.85      | 8,240.67       | 7,959.47   | 9,593.55   | 32,548.29   | 38,808.65   |
|         | Less: Inter segment revenue                                                 |                |            |            |             |             |                |            |            |             |             |
|         | Net sales/income from operations                                            | 197.19         | 198.69     | 163.84     | 780.47      | 854.85      | 8,240.67       | 7,959.47   | 9,593.55   | 32,548.29   | 38,808.65   |
| 2       | Segment results (Profit / (Loss) before tax and interest from each segment) |                |            |            |             |             |                |            |            |             |             |
|         | (a) International                                                           | (70.40)        | (74.19)    | (410.04)   | (303.26)    | (1,074.63)  | (187.61)       | (249.15)   | (1,194.28) | (830.91)    | (2,016.66)  |
|         | (b) Domestic                                                                | (149.60)       | (157.65)   | (871.33)   | (644.42)    | (2,283.60)  | (398.68)       | (529.43)   | (2,537.85) | (1,765.67)  | (4,285.40)  |
|         | Total                                                                       | (220.00)       | (231.84)   | (1,281.37) | (947.68)    | (3,358.23)  | (586.29)       | (778.58)   | (3,732.13) | (2,596.58)  | (6,302.06)  |
|         | Less: i) Interest                                                           | 3,088.44       | 3,099.21   | 1,067.01   | 11,968.80   | 9,071.03    | 3,148.92       | 3,187.20   | 1,051.90   | 12,166.77   | 9,309.34    |
|         | ii) Other un-allocable expenditure net off                                  |                |            |            |             |             |                |            |            |             |             |
|         | iii) Un-allocable income                                                    | 99.65          | 1,801.21   | 446.85     | 2,149.49    | 483.30      | 171.89         | 1,803.54   | 504.85     | 2,235.61    | 690.82      |
|         | Total Profit / (Loss) before tax                                            | (3,208.79)     | (1,529.83) | (1,901.52) | (10,766.98) | (11,945.95) | (3,563.32)     | (2,162.24) | (4,279.18) | (12,527.74) | (14,920.57) |
| 3       | Segment Assets                                                              |                |            |            |             |             |                |            |            |             |             |
|         | (a) International                                                           | 97,688.46      | 103,207.30 | 101,838.43 | 97,688.46   | 101,838.43  | 98,388.55      | 103,638.73 | 102,637.22 | 98,388.55   | 102,637.23  |
|         | (b) Domestic                                                                | 21,443.81      | 22,655.26  | 22,354.78  | 21,443.81   | 22,354.78   | 21,597.49      | 22,749.96  | 22,530.12  | 21,597.49   | 22,530.13   |
|         | Segment Liabilities                                                         |                |            |            |             |             |                |            |            |             |             |
|         | (a) International ,                                                         | 95,757.08      | 86,970.99  | 116,725.73 | 95,757.08   | 116,725.73  | 96,457.17      | 83,624.13  | 124,856.43 | 96,457.17   | 124,856.43  |
|         | (b) Domestic                                                                | 21,019.85      | 19,406.28  | 25,622.72  | 21,019.85   | 25,622.72   | 21,173.53      | 17,045.95  | 27,407.51  | 21,173.53   | 27,407.51   |
|         | Total                                                                       |                |            |            |             |             |                |            |            |             |             |



**STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2017**

(Rs.in Lakhs)

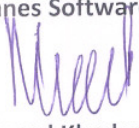
| PARTICULARS                           | STANDALONE          |                     | CONSOLIDATED        |                     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | As at<br>31.03.2017 | As at<br>31.03.2016 | As at<br>31.03.2017 | As at<br>31.03.2016 |
|                                       | Audited             |                     | Audited             |                     |
| <b>A EQUITY AND LIABILITIES</b>       |                     |                     |                     |                     |
| 1 Shareholders' Funds                 |                     |                     |                     |                     |
| a) Share Capital                      | 2,355.34            | 2,355.34            | 2,355.34            | 2,355.34            |
| b) Reserves and surplus               | (27,760.78)         | (20,510.58)         | (36,101.04)         | (29,451.94)         |
| <b>Shareholders' Funds</b>            | <b>(25,405.44)</b>  | <b>(18,155.24)</b>  | <b>(33,745.70)</b>  | <b>(27,096.60)</b>  |
| 2 Minority Interest                   |                     |                     |                     |                     |
| 3 Non-current liabilities             |                     |                     |                     |                     |
| a) Long term borrowings               | -                   | -                   | 1,468.31            | 1,468.31            |
| b) Long term provisions               | 12.77               | 17.01               | 30.93               | 35.17               |
| <b>Non-current liabilities</b>        | <b>12.77</b>        | <b>17.01</b>        | <b>1,499.24</b>     | <b>1,503.48</b>     |
| 4 Current liabilities                 |                     |                     |                     |                     |
| a) Short term borrowings              | 43.78               | 43.78               | 1,734.80            | 1,227.77            |
| b) Trade payables                     | 481.34              | 589.81              | 1,563.77            | 1,874.43            |
| c) Other current liabilities          | 143,930.29          | 141,612.18          | 148,864.38          | 147,572.60          |
| d) Short terms provisions             | 69.54               | 85.67               | 69.54               | 85.67               |
| <b>Current liabilities</b>            | <b>144,524.94</b>   | <b>142,331.44</b>   | <b>152,232.50</b>   | <b>150,760.46</b>   |
| <b>TOTAL - EQUITY AND LIABILITIES</b> | <b>119,132.27</b>   | <b>124,193.21</b>   | <b>119,986.03</b>   | <b>125,167.34</b>   |
| <b>B ASSETS</b>                       |                     |                     |                     |                     |
| 1 Non-current assets                  |                     |                     |                     |                     |
| a) Fixed Assets                       | 29,589.98           | 30,826.30           | 48,177.34           | 51,055.81           |
| b) Non-current Investments            | 8,009.18            | 8,009.18            | 17.86               | 17.86               |
| c) Deferred tax assets                | 34,517.68           | 31,000.89           | 37,153.27           | 33,552.08           |
| d) Long-term loans and advances       | 37,066.88           | 44,460.56           | 24,842.55           | 24,834.85           |
| e) Other Non-current assets           |                     |                     |                     |                     |
| <b>Non-current assets</b>             | <b>109,183.72</b>   | <b>114,296.94</b>   | <b>110,191.02</b>   | <b>109,460.61</b>   |
| 2 Current assets                      |                     |                     |                     |                     |
| a) Inventories                        | 40.01               | 44.74               | 219.03              | 337.60              |
| b) Trade receivables                  | 9,782.10            | 9,688.88            | 8,011.50            | 9,266.68            |
| c) Cash and cash equivalents          | 52.62               | 63.18               | 567.04              | 1,347.84            |
| d) Short-term loans and advances      | 73.82               | 99.47               | 997.44              | 4,754.61            |
| e) Other current assets               |                     |                     |                     |                     |
| <b>Current assets</b>                 | <b>9,948.55</b>     | <b>9,896.26</b>     | <b>9,795.02</b>     | <b>15,706.73</b>    |
| <b>TOTAL - ASSETS</b>                 | <b>119,132.27</b>   | <b>124,193.21</b>   | <b>119,986.03</b>   | <b>125,167.34</b>   |



Notes:

1. The above results have been approved by the Audit Committee and taken on record by the Board of Directors at its meeting held on May 30, 2017.
2. The Board of Directors is hopeful of settling its remaining liabilities with the banks and Bond Holders and normalizes its business operations in this financial year.
3. The consolidated results have been prepared in line with the requirements of Accounting Standards-21 "Consolidated Financial Statements".
4. No Investor complaints were received during the Quarter.
5. Previous year period figures have regrouped/reclassified wherever necessary.

Cranes Software International Limited

  
(Mueed Khader)  
Executive Director



30-May-17  
Bangalore

# S. JANARDHAN & ASSOCIATES

## CHARTERED ACCOUNTANTS

VIJAY BHATIA, B.com., F.C.A.,  
BALAKRISHNA S.BHAT, B.com., F.C.A.,  
B. ANAND, B.Sc., F.C.A.,



Apt. No.103 & 106  
Embassy Centre  
No.11, Crescent Road  
Bangalore - 560 001

Phone :22265438, 22260055  
22202709 Fax: 22265572  
E-mail : ca.sjassociates@gmail.com

**Auditor's Report on Quarterly and year to Date Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Requirements, 2015**

To  
Board of Directors of Cranes Software International Limited

1. We have audited the quarterly financial results of **Cranes Software International Limited** for the year ended 31<sup>st</sup> March 2017 and the year to date results for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the audit we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.
3. *The attached Balance Sheet as at 31<sup>st</sup> March, 2017 is drawn on the basis of the Principle of 'Going Concern'. We opine as follows in this connection :*
  - 3.1 *Redemption of Foreign currency convertible bond amounting to Rs. 29,085 lakhs (42 million Euros) to the holders of the bonds have fallen due during April 2011 and is yet to be redeemed as on the date of Balance Sheet. A winding up petition has been filed by the trustees of the Foreign Currency Convertible Bond holders against the company, before the division bench Hon'ble High Court of Karnataka for non-payment of principal and the accrued interest thereon.*



3.2 Legal proceedings u/s.138 of the Negotiable Instruments Act has been initiated by the following Banks against the company.

- i. State Bank of Travancore.
- ii. Canara Bank
- iii. Industrial Development Bank of India
- iv. State Bank of Mysore
- v. Bank of India

These Banks have filed cases before the Debt Recovery Tribunal (DRT) / Hon'ble Courts, etc for recovery of dues. These proceedings are in various stages of disposal before the "DRT" and respective Hon'ble Courts. Winding up petitions have been filed by Canara bank and Bank of India against the company, before the Hon'ble High Court of Karnataka for non-payment of principal and the accrued interest thereon.

3.3 In our opinion the securities provided to Banks are not adequate to cover the amounts outstanding to them as on the date of Balance Sheet.

3.4 An advance of Rs. 23,978.83 lakhs is due from a party for an inordinate period and in our opinion recovery of the same is doubtful. However, the company continues to classify such amounts as 'Good'. However, no evidence has been given to us to consider those amounts as recoverable as on the date of Balance Sheet.

3.5 Attention of the members is invited to note 3.10 of the Financial Statements regarding recognition of deferred tax credit on account of unabsorbed losses and allowances aggregating to Rs.34,517.47 lakhs (year ended March 31, 2016 Rs. 31,000.90 lakhs). This does not satisfy the virtual certainty test for recognition of deferred tax credit as laid down in Accounting Standard 22.

3.6 Reference is drawn to note no. 3.31 of the Financial Statements regarding the amounts classified under "Fixed Assets" including "Intangible Assets Under Development" amounting to Rs. 22,458.78 lakhs. No evidence has been produced before us for testing its impairment and in the absence of the same, we are unable to express any opinion on the impairment to such asset. In our opinion, such test of impairment as on the date of Balance Sheet is mandatory, especially in view of the higher degree of the obsolescence of software which is stated to be under various stages of development, though no further developments have been carried out during the recent years.

In the light of the above, the appropriateness of the 'Going Concern' concept based on which the accounts have been prepared is interalia dependent on the Company's ability to infuse requisite funds for meeting its obligations, rescheduling of debt and resuming normal operations.



4. *We further report that, except for the effect, if any, of the matters stated in paragraphs 3.6 above, whose financial effect is not ascertainable, had the observations made in paragraphs 3.4 and 3.5 above been considered, the loss after tax for the year ended March 31, 2017 would have been higher by Rs. 58,496.30 lakhs.*

**5. Emphasis of Matter**

- 5.1 We draw attention to Note No. 3.35 of the financial statements regarding the investments (including receivables) made in wholly owned subsidiaries. As explained by the management, it being a long term and strategic investment, there is a reasonable certainty that there will be no diminution in the value of the investment and is confident of recovery of receivables and therefore no provisioning has been considered necessary. The details of investments (including trade receivables) in subsidiaries are as under.

(Rs in Lakhs)

| SI No. | Name of the Subsidiary                    | Amount           |
|--------|-------------------------------------------|------------------|
| 1      | Cranes Software Inc                       | 5,369.02         |
| 2      | Cranes Software International Pte Limited | 1,503.33         |
| 3      | Systat Software UK Ltd                    | 243.62           |
| 4      | Proland Software Private Limited          | 462.81           |
| 5      | Systat Software Gmbh                      | 187.11           |
| 5      | Systat Software Inc.                      | 13,103.69        |
| 6      | Dunn Solutions Groups Inc                 | 109.94           |
|        | <b>Total</b>                              | <b>20,979.51</b> |

- 5.2 The company had invested in the below mentioned wholly owned subsidiaries. Due to the cumulative losses in the subsidiaries, the value of investment is eroded.

(Rs in Lakhs)

| SI No. | Name of the Subsidiary                    | Investment      | Shareholder Funds |
|--------|-------------------------------------------|-----------------|-------------------|
| 1      | Esqube Communication Solutions Pvt Ltd    | 179.78          | (50.72)           |
| 2      | Proland Software Pvt Ltd                  | 318.89          | (643.69)          |
| 3      | Tilak Auto Tech Private Limited           | 51.62           | (182.63)          |
| 4      | Systat Software Inc. USA                  | 1,851.18        | (6,105.97)        |
| 5      | Cranes Software International Pte Limited | 44.31           | (575.23)          |
|        | <b>TOTAL</b>                              | <b>2,445.78</b> | <b>(7,558.25)</b> |

The company has not provided for diminution / impairment in the value of its investments in the above wholly owned subsidiaries, as required by the Accounting Standard 13.



- 5.3 The company has provided interest on the term loans from banks, including penal interest, at the rates provided in the loan sanction letters. No confirmation is obtained from lenders for the dues as these have been classified as Non- Performing Assets (NPA) by the respective banks.

Our Report is not qualified in respect of the above matter.

6. In our opinion and to the best of our information and according to the explanations given to us, except for matters stated in paragraphs 3 and 4 above, the Statement:
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
  - (ii) gives a true and fair view of the net loss and other financial information for the quarter ended 31<sup>st</sup> March 2017 as well as the year to date results for the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.
7. Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and found the same to be correct.

Bangalore  
30th May, 2017

For S Janardhan and Associates  
Chartered Accountants  
Registration No.005310S



*Vijay Bhatia*  
Vijay Bhatia  
Partner  
Membership No.201862

# S. JANARDHAN & ASSOCIATES

## CHARTERED ACCOUNTANTS

VIJAY BHATIA, B.com., F.C.A.,  
BALAKRISHNA S.BHAT, B.com., F.C.A.,  
B. ANAND, B.Sc., F.C.A.,



Apt. No.103 & 106  
Embassy Centre  
No.11, Crescent Road  
Bangalore - 560 001

Phone :22265438, 22260055  
22202709 Fax: 22265572  
E-mail : ca.sjassociates@gmail.com

Auditor's Report on Quarterly and year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
Board of Directors of Cranes Software International Limited,

- 1) We have audited the quarterly consolidated financial results of Cranes Software International Limited, for the quarter ended 31<sup>st</sup> March 2017 and the consolidated year to date results for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly financial results as well as the consolidated year to date financial results have been prepared from consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these quarterly consolidated financial results and consolidated year to date financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the International Accounting Standard (IAS) 34, Interim Financial Reporting, as issued by International Accounting Standard Board.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
- 3) We did not audit the financial statements of 10 subsidiaries included in the consolidated Quarterly financial results and consolidated year to date results, whose consolidated interim financial statements reflect total assets of Rs. 28,992.57 lakhs as at 31st March 2017 and as at the quarter ended 31st March 2017, as well as the total revenue of Rs 32,382.55 lakhs for the year ended 31st March 2017 and Rs. 8,181.18 lakhs for the quarter ended 31st March 2017.



- 4) These interim financial statements and other financial information have been audited by other auditors (except for those stated in para 5.1 below) whose reports have been furnished to us, and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.
- 5) We would like opine as follows
- I. The Consolidated results of the Company do not include the financials of a step down subsidiary "Cubeware GMBH" for the year ended 31<sup>st</sup> March 2017 and therefore, are not comparable with the financials for the year ended 31<sup>st</sup> March 2016. The total assets and the total revenue of the said step down subsidiary included in the consolidated financial statements for the year ended 31<sup>st</sup> March 2016 were Rs. 4,410.96 lakhs and Rs. 8,314.32 lakhs respectively.
- II. Consolidated accounts of the company include compiled financials of "Cranes Software International Pte Limited, Singapore" and "Systat Software GmbH" and are not audited as on 31<sup>st</sup> March 2017.
- III. Our audit report has to be read along with the observations and qualifications as appearing in para 3 of our audit report of even date in respect of the standalone financials of Cranes Software International Limited.
- 6) In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results as well as the consolidated year to date results:
- (i) Includes the quarterly Audited financial results and year to date of the following entities:
- (a) Analytix Systems Pvt Ltd
  - (b) Caravel Info Systems Pvt Ltd
  - (c) Cranes Software Inc
  - (d) Esqube Communication Solutions Pvt Ltd
  - (e) Proland Software Pvt Ltd
  - (f) Systat Software Asia Pacific Ltd
  - (g) Systat Software Inc (USA)
  - (h) Tilak Auto Tech Private Limited
- (ii) Includes the quarterly Compiled financial results and year to date of the following entities
- a) Cranes Software Intl. Pte Ltd (Singapore)
  - b) Systat Software GmbH (Germany)
- (iii) Have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, and



- (iv) Give a true and fair view of the consolidated net loss and other financial information for the quarter ended 31<sup>st</sup> March 2017 as well as the consolidated year to date results for the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017. Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the company in terms of Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and found the same to be correct.

Bangalore  
30th May, 2017

For S Janardhan and Associates  
Chartered Accountants  
Registration No.005310S



A handwritten signature in black ink, appearing to read "Vijay Bhatia".

Vijay Bhatia  
Partner

Membership No.201862