



# Cranes Software International Limited

Redg. Office:  
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1st Stage, 1st Phase, Bangalore - 560 029, INDIA

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30<sup>th</sup> May, 2018

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: CRANESSOFT – EQ**

Further to our letter dt. 22<sup>nd</sup> May, 2018 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, 2018), the Board has:

- Approved and taken on record the audited financial results for the year ended 31st March, 2018. 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 2017-2018 in order to conserve cash reserves.
- The resignation of Mr Mukkaram Jan, Whole-time Director, from the Board was accepted.

Thanking you,

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

  
**Authorised Signatory**  
**Name: Asif Khader**  
**Designation: Managing Director**



Encl: as above

# CRANES SOFTWARE INTERNATIONAL LIMITED

Regd. Office: # 2, Tavarekere, Bannerghatta Road, BTM Layout, 1st Stage, 1st Phase, Bangalore - 560 029  
Ph.080 67644848 Fax:080 67644888 Email:info@cranesoftware.com Website: www.cranessoftware.com  
CIN: L05190KA1984PLC031621

## Statement of audited financial results for the quarter and year ended March 31, 2018

### PART-1

|    |                                                                                               | (Rs.In Lakhs)   |                 |                   |                  |                   |                   |                   |
|----|-----------------------------------------------------------------------------------------------|-----------------|-----------------|-------------------|------------------|-------------------|-------------------|-------------------|
|    | Particulars                                                                                   | Standalone      |                 |                   |                  |                   | Consolidated      |                   |
|    |                                                                                               | Quarter Ended   |                 |                   | Year Ended       |                   | Year Ended        |                   |
|    |                                                                                               | 31.03.2018      | 31.12.2017      | 31.03.2017        | 31.03.2018       | 31.03.2017        | 31.03.2018        | 31.03.2017        |
|    |                                                                                               | Audited         | Unaudited       | Audited           | Audited          | Audited           | Audited           | Audited           |
| 1  | <b>Income from Operations</b>                                                                 |                 |                 |                   |                  |                   |                   |                   |
|    | (a)Net Sales/Income from Operations                                                           | 164.18          | 222.41          | 197.19            | 785.85           | 780.47            | 17,050.14         | 32,548.29         |
|    | (b)Other Income                                                                               | 206.09          | 7,433.12        | 99.65             | 7,662.60         | 2,149.49          | 9,346.03          | 2,235.61          |
|    | <b>Total Income</b>                                                                           | <b>370.27</b>   | <b>7,655.53</b> | <b>296.84</b>     | <b>8,448.44</b>  | <b>2,929.97</b>   | <b>26,396.18</b>  | <b>34,783.90</b>  |
| 2  | <b>Expenses</b>                                                                               |                 |                 |                   |                  |                   |                   |                   |
|    | (a) Cost of materials consumed                                                                | 1.90            | 2.72            | -                 | 5.17             | 0.73              | 10,952.19         | 22,225.92         |
|    | (b) Purchase of Stock-in-Trade                                                                | -               | -               | -                 | -                | -                 | -                 | -                 |
|    | (c) Changes in inventories of finished goods and work-in-progress                             | 40.01           | -               | 1.21              | 40.01            | 4.73              | 40.01             | 118.56            |
|    | (d) Employee benefit expense                                                                  | 81.15           | 74.07           | 88.00             | 304.08           | 300.89            | 3,714.36          | 5,907.95          |
|    | (e) Finance costs                                                                             | (13.18)         | 27.18           | 3,088.44          | 51.43            | 11,968.80         | 150.76            | 12,166.77         |
|    | (f) Depreciation and amortization expense                                                     | 16.14           | 16.20           | 309.08            | 64.68            | 1,236.33          | 1,464.43          | 3,041.37          |
|    | (g) Other expenses                                                                            | 8,932.07        | 7,401.60        | 16.00             | 16,185.02        | 180.97            | 18,718.73         | 3,864.89          |
|    | <b>Total Expenses</b>                                                                         | <b>9,058.10</b> | <b>7,521.77</b> | <b>3,502.74</b>   | <b>16,650.39</b> | <b>13,692.45</b>  | <b>35,040.47</b>  | <b>47,325.46</b>  |
| 3  | Profit/(Loss) from Ordinary activities before exceptional items & taxes (1-2)                 | (8,687.83)      | 133.76          | (3,205.90)        | (8,201.95)       | (10,762.49)       | (8,644.29)        | (12,541.56)       |
| 4  | Exceptional Items                                                                             | -               | -               | 2.90              | -                | 4.50              | -                 | (13.82)           |
| 5  | Profit/(Loss) from ordinary activities before tax (3 - 4)                                     | (8,687.83)      | 133.76          | (3,208.79)        | (8,201.95)       | (10,766.98)       | (8,644.29)        | (12,527.74)       |
| 6  | Tax expense / (credit)                                                                        |                 |                 |                   |                  |                   |                   |                   |
|    | (a) Current Tax                                                                               | -               | -               | -                 | -                | -                 | 103.53            | -                 |
|    | (b) Deferred Tax                                                                              | (666.63)        | 5.10            | (1,056.53)        | (682.01)         | (3,516.57)        | (1,178.40)        | (3,617.80)        |
|    | <b>Total tax expenses / (credit)</b>                                                          | <b>(666.63)</b> | <b>5.10</b>     | <b>(1,056.53)</b> | <b>(682.01)</b>  | <b>(3,516.57)</b> | <b>(1,074.86)</b> | <b>(3,617.80)</b> |
| 7  | Net Profit/(Loss) from ordinary activities after tax (5-6)                                    | (8,021.21)      | 128.67          | (2,152.26)        | (7,519.94)       | (7,250.41)        | (7,569.43)        | (8,909.94)        |
| 8  | Extraordinary Items                                                                           | -               | -               | -                 | -                | -                 | -                 | -                 |
| 9  | Net Profit/(Loss) for the period (7-8)                                                        | (8,021.21)      | 128.67          | (2,152.26)        | (7,519.94)       | (7,250.41)        | (7,569.43)        | (8,909.94)        |
| 10 | Minority Interest                                                                             | -               | -               | -                 | -                | -                 | -                 | -                 |
| 11 | Net Profit/(Loss) after Taxes, minority interest and share of profit/Loss of associates(9+10) | (8,021.21)      | 128.67          | (2,152.26)        | (7,519.94)       | (7,250.41)        | (7,569.43)        | (8,909.94)        |
| 12 | Total Comprehensive Income for the period [Net of tax]                                        | -               | -               | -                 | -                | -                 | -                 | -                 |
| 13 | Paid-up equity share capital (Face Value of Rs.2/-)                                           | 2355.34         | 2355.34         | 2355.34           | 2355.34          | 2355.34           | 2355.34           | 2355.34           |
| 14 | Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year       | -               | -               | -                 | (59,362.71)      | (51,739.82)       | (67,920.12)       | (36,101.04)       |
| 15 | Earnings Per Share                                                                            |                 |                 |                   |                  |                   |                   |                   |
|    | i) Basic                                                                                      | (6.81)          | 0.11            | (1.83)            | (6.39)           | (6.16)            | (6.43)            | (7.57)            |
|    | ii)Diluted                                                                                    | (6.81)          | 0.11            | (1.83)            | (6.39)           | (6.16)            | (6.43)            | (7.57)            |



**CRANES SOFTWARE INTERNATIONAL LIMITED**

**PART-2**

| SL No    | PARTICULARS                                                                              | 3 Months Ended |             |             | Year ended  |             |
|----------|------------------------------------------------------------------------------------------|----------------|-------------|-------------|-------------|-------------|
|          |                                                                                          | 31.03.2018     | 31.12.2017  | 31.03.2017  | 31.03.2018  | 31.03.2017  |
| <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 2018</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**  
Audited Balance Sheet as at 31st March, 2018

(Rs in Lakhs)

| Particulars                                      | Standalone          |                     | Consolidated        |                    |
|--------------------------------------------------|---------------------|---------------------|---------------------|--------------------|
|                                                  | As At<br>31.03.2018 | As At<br>31.03.2017 | As At<br>31.03.2018 | As At 31.03.2017   |
| <b>I. ASSETS</b>                                 |                     |                     |                     |                    |
| <b>1 Non-current assets</b>                      |                     |                     |                     |                    |
| Property, plant and equipment                    | 1,087.99            | 1,149.90            | 1,092.20            | 1,261.55           |
| Capital work in progress                         | 5,042.44            | 22,458.78           | 5,042.44            | 22,726.78          |
| Intangible assets                                | -                   | 5,981.29            | 6,622.99            | 24,189.01          |
| Deferred Tax Asset (Net)                         | 35,199.48           | 34,517.47           | 38,257.23           | 37,153.06          |
| Financial Assets                                 |                     |                     |                     |                    |
| Investments                                      | 8,010.18            | 8,009.18            | 17.86               | 17.86              |
| Loans                                            | 8,882.41            | 14,477.06           | 702.10              | 24,842.55          |
| Other non-current assets                         | -                   | -                   | 192.31              |                    |
| <b>Non-current assets</b>                        | <b>58,222.49</b>    | <b>86,593.69</b>    | <b>51,927.13</b>    | <b>110,190.81</b>  |
| <b>2 Current assets</b>                          |                     |                     |                     |                    |
| Inventories                                      | -                   | 40.01               | -                   | 219.03             |
| Financial Assets                                 |                     |                     |                     |                    |
| Investments                                      | -                   | -                   | -                   | -                  |
| Trade receivables                                | 7,348.00            | 8,219.50            | 768.95              | 8,011.55           |
| Cash and cash equivalents                        | 5.48                | 6.25                | 118.14              | 567.04             |
| Bank balances other than (iii) above             | 24.82               | 50.20               | 24.82               |                    |
| Loans                                            | 226.40              | 243.58              | 392.04              | 997.44             |
| Other current assets                             |                     |                     | 121.86              |                    |
| <b>Current assets</b>                            | <b>7,604.70</b>     | <b>8,559.53</b>     | <b>1,425.81</b>     | <b>9,795.07</b>    |
| <b>TOTAL ASSETS</b>                              | <b>65,827.19</b>    | <b>95,153.22</b>    | <b>53,352.94</b>    | <b>119,985.88</b>  |
| <b>II. EQUITY AND LIABILITIES</b>                |                     |                     |                     |                    |
| <b>Equity</b>                                    |                     |                     |                     |                    |
| Equity share capital                             | 2,355.34            | 2,355.34            | 2,355.34            | 2,355.34           |
| Other Equity                                     | (59,362.71)         | (51,739.82)         | (67,920.12)         | (36,101.25)        |
|                                                  | <b>(57,007.37)</b>  | <b>(49,384.48)</b>  | <b>(65,564.78)</b>  | <b>(33,745.91)</b> |
| <b>Share application money pending allotment</b> |                     |                     |                     |                    |
| <b>1 Non-Current Liabilities</b>                 |                     |                     |                     |                    |
| Financial Liabilities                            |                     |                     |                     |                    |
| Borrowings                                       | -                   | -                   | -                   | 1,468.31           |
| Provisions                                       | 6.66                | 12.77               | 25.48               | 30.93              |
| Deferred tax liabilities (Net)                   |                     |                     | 2.38                |                    |
| <b>Non-Current Liabilities</b>                   | <b>6.66</b>         | <b>12.77</b>        | <b>27.85</b>        | <b>1,499.24</b>    |
| <b>2 Current liabilities</b>                     |                     |                     |                     |                    |
| Financial Liabilities                            |                     |                     |                     |                    |
| Borrowings                                       | 43.78               | 43.78               | 43.78               | 1,734.80           |
| Trade payables                                   | 497.44              | 481.34              | 1,243.58            | 1,563.77           |
| Other current liabilities                        | 122,112.68          | 143,930.29          | 117,428.50          | 148,864.43         |
| Provisions                                       | 174.01              | 69.54               | 174.01              | 69.54              |
| <b>Current liabilities</b>                       | <b>122,827.90</b>   | <b>144,524.94</b>   | <b>118,889.87</b>   | <b>152,232.55</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>              | <b>65,827.19</b>    | <b>95,153.22</b>    | <b>53,352.94</b>    | <b>119,985.88</b>  |



**Notes :**

1. The above quarter & year ended results for the period ended March 31, 2018 as reviewed and recommended by the Audit committee of the Board, has been approved by the Board of Directors at its meeting held on May 30, 2018.
2. The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning April 1, 2017, the Company has for the first time adopted Ind AS with a transition date of April 1, 2016.
3. The business of the Company falls under a single primary segment i.e., IT/ ITES in accordance with Ind AS 108 'Operating Segments' and hence no segment reporting is applicable.
4. The Company has not provided interest in books of accounts on FCCB liability and Bank loans year ended March 31, 2018.
5. The Company has not restated FCCB loans and interest thereon for the year ended March 31, 2018.
6. The Company has not provided interest for the quarter & year ended March 31, 2018, hence the figures are not comparable with corresponding quarter of the previous year.
7. Other income includes write back of Principal and Interest amounts of Rs. 1,191.58 Lakhs on account of full and final settlements of OTS scheme with Jammu and Kashmir Bank and Rs. 5,731.96 lakhs with International Asset Reconstruction Company Private Ltd.
8. Other expense includes an amount of Rs. 15,914.93 lakhs written off which includes Impairment of work in progress, and provision for bad debts.
9. The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below :

**Key reconciliation required as per Ind AS 101 on transition to Ind AS**

|     |                                                        | (Rs in lakhs)                                |
|-----|--------------------------------------------------------|----------------------------------------------|
| (a) | <b>Reconciliation of equity</b>                        | <b>As at<br/>March 31, 2017</b>              |
|     | Total equity / shareholders' funds as per Indian GAAP  | (27,760.99)                                  |
|     | <b>Ind AS Adjustments</b>                              |                                              |
|     | Advances no longer receivable                          | (23,978.83)                                  |
|     | <b>Total equity/ shareholders' funds as per Ind AS</b> | <b>(51,739.82)</b>                           |
| (b) | <b>Reconciliation of Profits</b>                       | <b>For the year ended<br/>March 31, 2017</b> |
|     | Total comprehensive income as per Indian GAAP          | (7,348.85)                                   |
|     | <b>Ind AS Adjustments</b>                              |                                              |
|     | <b>Total comprehensive income as per Ind AS</b>        | <b>(7,348.85)</b>                            |

for Crane Software International Limited



**Asif Khader**  
Managing Director  
DIN - 00104893



**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 2018 and the year to date results for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 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, Attention is drawn to the fact that the figures for the quarter ended 31st March 2018 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit. 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, 2018 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. On a petition filed by the Foreign currency convertible bond holders, The Hon'ble High Court of Karnataka issued a winding up order against the company, which indicates the existence of material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. The company has obtained a stay against the operation of the winding up order issued by the Hon'ble High Court of Karnataka. However, the accounts have been prepared on a going concern basis.*
- 3.2 *Term loans and working capital loans availed by the company from various banks amounting to Rs.69,535.38 lakhs, remain unpaid and are overdue since 2009. The lenders 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 *Attention of the members is invited to note 4 of the Financial Statements regarding recognition of deferred tax credit on account of unabsorbed losses and allowances aggregating to Rs.35,241.76 lakhs (year ended March 31, 2017 Rs. 34,521.55 lakhs). This does not satisfy the virtual certainty test for recognition of deferred tax credit as laid down in IND AS-12.*
- 3.5 *Reference is drawn to note no. 2 of the Financial Statements regarding the amounts classified under "Fixed Assets" including "Intangible Assets Under Development" amounting to Rs. 5,042.44 lakhs. (year ended March 31, 2017 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 3.5 above, whose financial effect is not ascertainable, had the observations made in paragraph 3.4 above been considered, the loss after tax for the year ended March 31, 2018 would have been higher by Rs. 35,241.76 Lakhs.*

#### 5. Emphasis of Matter

- 5.1 We draw attention to Note No. 5 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) |                                           |                  |
|---------------|-------------------------------------------|------------------|
| Sl No.        | Name of the Subsidiary                    | Amount           |
| 1             | Esqube Communication Solutions            | 188.76           |
| 2             | Cranes Software International Pte Limited | 1,525.99         |
| 3             | Systat Software UK Ltd                    | 689.31           |
| 4             | Proland Software Private Limited          | 462.81           |
| 5             | Systat Software Gmbh                      | 224.40           |
| 5             | Systat Software Inc.(Net of Provision)    | 11577.22         |
| 7             | Tilak Auto Tech Private Ltd.              | 163.81           |
| 8             | Caravel Info System Private Limited       | 1.53             |
|               | <b>Total</b>                              | <b>14,833.83</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) |                                           |                 |                   |
|---------------|-------------------------------------------|-----------------|-------------------|
| Sl No.        | Name of the Subsidiary                    | Investment      | Shareholder Funds |
| 1             | Esqube Communication Solutions Pvt Ltd    | 179.78          | (12.22)           |
| 2             | Proland Software Pvt Ltd                  | 318.89          | (643.84)          |
| 3             | Tilak Auto Tech Private Limited           | 51.62           | (144.11)          |
| 4             | Systat Software Inc. USA                  | 1,851.18        | (6,132.39)        |
| 5             | Cranes Software International Pte Limited | 44.31           | (575.23)          |
| 6             | Caravel Info System Private Limited       | 362.33          | (381.48)          |
|               | <b>TOTAL</b>                              | <b>2,445.78</b> | <b>(7,889.27)</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 IND AS-36.



- 5.3 The Company has drawn and utilised an amount Rs. 43.77 lakhs from the 'CSIL Employees Comprehensive Gratuity Trust' fund for the purpose not intended in terms of 'The Payment of Gratuity Act, 1972'.(See note No. 15 of the Financial Statements)
- 5.4 The company has provided for doubtful debts of Rs 1,279.80 lakhs during the year, towards due from a subsidiary.
- 5.5 Loan availed by the company from 'UPS Capital Business Credit' amounting to Rs 601.51 lakhs remains unpaid and is overdue since April 2014.
- 5.6 The banks which had extended financial facilities to the company have treated the outstanding from the company as "Non-Performing Assets" since 2009. In order to achieve the desired congruency on this issue, the Company has also not provided for interest amounting to Rs. 10,446.77 lakhs on such outstanding amounts for the year ended 31st March, 2018 due to various banks, though the confirmation of such dues were not made available to us from the respective banks/financial institutions. Had the said interest been provided in the books in the normal course, the present loss for the year ended 31st March 2018 would have been higher by Rs. 10,446.77 lakhs.
- 5.7 The management is in negotiation with the Foreign currency convertible bond holders for settling its dues. The management is of the view that the liability of Rs 38,695 lakhs (including interest amounting to Rs. 9,610 lakhs) reflected in the financial statements will adequately cover its liability on settlement of dues with the Foreign currency convertible bond holders and therefore no provision for interest is provided for the year ended 31st March 2018. Had such interest been provided in the books in the normal course, the present loss for the year ended 31st March 2018 would have been higher by Rs 1,625.30 lakhs.
- 5.8 In continuation to the point no. 5.7 above, the company has also discontinued the restatement of the Exchange fluctuation gain / loss on account of the outstanding due towards Foreign currency convertible bond and the interest due thereon, in line with the IND AS-21 "The Effects of Changes in Foreign Exchange Rates". Had such restatement of liability been made in the books in the normal course, the present loss for the year ended 31st March 2018 would have been higher by Rs 3,420.52 lakhs.
- 5.9 The balances which were available in the dividend accounts of banks were utilized by the company for expenses.
- 5.10 The management is of the opinion that the all assets, investments have atleast the value as stated in the Balance Sheet, if realised in the ordinary course of business.

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

6. These comparative standalone financial results for the year ended 31 March 2017 included in these standalone financial results have been audited by predecessor auditor. The report



of the predecessor auditor on comparative financial information expressed a qualified opinion thereon.

7. 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 2018 as well as the year to date results for the period from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.
8. 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, 2018

For **Sethia Prabhad Hegde & Co**  
Chartered Accountants  
Registration No. 013367S



**Timmayya Hegde**  
Partner  
Membership No.226267

# Sethia Prabhad Hegde & Co. Chartered Accountants



**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 2018 and the consolidated year to date results for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 five (5) subsidiaries included in the consolidated Quarterly financial results and consolidated year to date results, whose consolidated financial statements reflect total assets of Rs. 15,343.02 lakhs as at 31st March 2018 and the total revenue of Rs 16,561.22 lakhs for the year ended 31st March 2018.
- 4) These financial statements and other financial information have been audited by other auditors (except for those stated in para 5 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 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 include the compiled financials of two step down subsidiaries "Engineering Technology Associate Inc" and "Dunn Solutions Inc" till the period 30<sup>th</sup> September 2017 on account of these two step down subsidiaries being vested with the lender on exercising his pledge and therefore, are not comparable with the financials for the year ended 31<sup>st</sup> March 2017. The total assets and the total revenue of the said step down subsidiaries included in the consolidated financial statements for the year ended 31<sup>st</sup> March 2017 were Rs. 7,195.36 lakhs and Rs. 29,980.15 lakhs respectively. However the consolidated financials include revenue of Rs 14,582.17 lakhs related to the said step-down subsidiaries, pertaining to the financial year ended 31<sup>st</sup> March 2018.
- II. Consolidated accounts of the company include compiled financials of
  - a. Cranes Software International Pte Limited, Singapore
  - b. Systat Software GmbH
  - c. Cranes Software Inc (including compiled financial of two step down subsidiaries "Engineering Technology Associate Inc" and "Dunn Solutions Inc" till the period 30<sup>th</sup> September 2017)
  - d. Systat Software Inc

The same are not audited by the respective auditors as on 31<sup>st</sup> March 2018.

- 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 Audited financial results and year to date of the following entities:

- (a) Analytix Systems Pvt Ltd
- (b) Caravel Info Systems Pvt Ltd
- (c) Cranes Varsity Private limited
- (d) Esqube Communication Solutions Pvt Ltd
- (e) Proland Software Pvt Ltd
- (f) Systat Software Asia Pacific Ltd
- (g) Tilak Auto Tech Private Limited

- (ii) Includes the Compiled financial results and year to date of the following entities

- a) Cranes Software Intl. Pte Ltd (Singapore)
- b) Systat Software GmbH (Germany)
- c) Cranes Software Inc (including compiled financial of two step down subsidiaries "Engineering Technology Associate Inc" and "Dunn Solutions Inc" till the period 30<sup>th</sup> September 2017)
- d) Systat Software Inc (USA)



- (iii) These comparative consolidated financial results for the year ended 31 March 2017 included in these standalone financial results have been audited by predecessor auditor. The report of the predecessor auditor on comparative financial information expressed a qualified opinion thereon.
- (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 2018 as well as the consolidated year to date results for the period from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.

Bangalore  
30th May, 2018

For **Sethia Prabhad Hegde & Co**  
Chartered Accountants  
Registration No.013367S  
  
**Timmayya Hegde**  
Partner  
Membership No.226267