



Cranes Software International Limited

CIN: L05190KA1984PLC031621

Registered Office:

#82, Presidency Building, 3rd & 4th Floor,
St. Marks Road, Bengaluru - 560 001, Karnataka

Ph: +91 80 6764 4800/4848

Email: Info@cranessoftware.com

6th July 2024

To,
The Manager
Department of Corporate Services
BSE Limited,
P J Towers, Dalal Street
Mumbai – 400 001

Ref: Scrip Code: 512093

Dear Sir,

Sub: Outcome of Meeting of the Board of Directors

Further to our intimation dated 4th July 2024 & 5th July 2024 informing you of the convening of the adjourned Board of Directors Meeting, we wish to inform you that at the meeting of the Board of Directors held today (6th July 2024), the Board has:

- Approved and taken on record the audited stand-alone and consolidated financial results for the financial year ended 31st March 2024. The results are enclosed herewith for your records.
- The Standalone and Consolidated Auditor's Report for the financial year ended 31st March 2024 is also enclosed for your reference.
- The statement of impact of audit qualifications for the financial year ended 31st March 2024 has been enclosed herewith for your reference.
- No dividend payout has been declared for the financial year 2023-24

The meeting started at 3.45 pm and ended at 6.35 pm

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,
For Cranes Software International Ltd.

Asif Khader
Managing Director

CRANES SOFTWARE INTERNATIONAL LIMITED

Regd. Office: # 82, Presidency Building, 3rd & 4th Floor, St.Marks Road, Bangalore - 560 001
Ph.080 6764 4848 / 4800 Fax:080 6764 4888 Email:info@cranesssoftware.com Website: www.cranesssoftware.com
CIN: L05190KA1984PLC031621

Statement of audited financial results for the quarter and year ended 31st March, 2024

PART-1

(Rs.In Lakhs)

	Particulars	Standalone					Consolidated				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited
1	Income from Operations										
	(a)Net Sales/Income from Operations	-	-	-	-	-	229.94	110.90	234.49	712.01	638.36
	(b)Other Income	0.03	-	8,376.82	0.03	18,962.99	308.45	3.10	9,583.66	321.77	20,221.21
	Total Income	0.03	-	8,376.82	0.03	18,962.99	538.38	114.00	9,818.15	1,033.78	20,859.56
2	Expenses										
	(a) Cost of materials consumed	-	-	-	-	-	0.01	41.92	(15.79)	126.76	44.24
	(b) Purchase of Stock-in-Trade	-	-	-	-	-	-	-	-	-	-
	(c) Changes in inventories of finished goods and work-in-progress	-	-	-	-	-	0.37	-	(0.37)	0.37	(0.37)
	(d) Employee benefit expense	15.07	14.62	18.64	54.86	55.52	151.39	145.19	83.20	548.12	601.68
	(e) Finance costs	(250.64)	83.55	303.62	0.00	309.21	(246.04)	83.63	319.55	13.04	325.14
	(f) Depreciation and amortization expense	(0.97)	1.36	1.36	3.11	5.44	1.81	4.83	5.69	15.00	16.20
	(g) Other expenses	492.77	447.35	5,206.66	1,808.61	7,116.90	540.77	97.48	4,781.51	806.58	5,663.79
	Total Expenses	256.23	546.87	5,530.28	1,866.58	7,487.06	448.32	373.06	5,173.80	1,509.87	6,650.69
3	Profit/(Loss) from Ordinary activities before exceptional items & taxes (1-2)	(256.20)	(546.87)	2,846.54	(1,866.55)	11,475.93	90.06	(259.07)	4,644.35	(476.09)	14,208.87
4	Exceptional Items	-	-	-	-	-	169.54	-	1,140.00	(1,185.87)	1,140.00
5	Profit/(Loss) from ordinary activities before tax (3 - 4)	(256.20)	(546.87)	2,846.54	(1,866.55)	11,475.93	259.60	(259.07)	3,504.36	(1,661.95)	13,068.87
6	Tax expense / (credit)										
	(a) Current Tax	-	-	-	-	-	164.86	(0.65)	5.28	167.43	5.91
	(b) Deferred Tax	-	-	0.00	-	(20,234.69)	(9.02)	-	(2,582.61)	(9.02)	(22,817.35)
	Total tax expenses / (credit)	-	-	0.00	-	(20,234.69)	(155.83)	(0.65)	(2,577.34)	(158.41)	22,823.26
7	Net Profit/(Loss) from ordinary activities after tax (5-6)	(256.20)	(546.87)	2,846.53	(1,866.55)	(8,758.75)	103.77	(258.42)	916.47	(1,820.36)	(9,754.39)
8	Extraordinary Items	-	-	-	-	-	-	-	-	-	-
9	Net Profit/(Loss) for the period (7-8)	(256.20)	(546.87)	2,846.53	(1,866.55)	(8,758.75)	103.77	(258.42)	916.47	(1,820.36)	(9,754.39)
10	Minority Interest	-	-	-	-	-	-	-	-	-	-
11	Net Profit/(Loss) after Taxes, minority interest and share of profit/Loss of associates(9+10)	(256.20)	(546.87)	2,846.53	(1,866.55)	(8,758.75)	103.77	(258.42)	916.47	(1,820.36)	(9,754.39)
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	2355.34	2355.34	2355.34
14	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	(81,539.20)	(79,672.65)	-	-	-	(91,107.51)	(90,686.77)
15	Earnings Per Share										
	i) Basic	(0.22)	(0.46)	2.42	(1.58)	(7.44)	0.09	(0.22)	0.78	(1.55)	(8.28)
	ii)Diluted	(0.22)	(0.46)	2.42	(1.58)	(7.44)	0.09	(0.22)	0.78	(1.55)	(8.28)

CRANES SOFTWARE INTERNATIONAL LIMITED

PART-2

SL No	PARTICULARS	3 Months Ended			Year ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	- Number of shares	11,02,47,850	11,02,47,850	11,02,47,850	11,02,47,850	11,02,47,850
	- 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	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000
	- 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	65,19,000	65,19,000	65,19,000	65,19,000	65,19,000
	- 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 INVESTOR COMPLAINTS FOR 3 MONTHS ENDED 31ST MARCH 2024				
	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, 2024

(Rs in Lakhs)

Particulars	Standalone		Consolidated	
	As At 31.03.2024	As At 31.03.2023	As At 31.03.2024	As At 31.03.2023
I. ASSETS				
1 Non-current assets				
Property, plant and equipment	11.00	14.11	38.75	67.48
Right to use of Assets	-	-	17.97	-
Intangible assets	-	0.00	0.01	0.01
Deferred Tax Asset (Net)	-	-	42.50	33.47
Financial Assets				
Investments	3,215.88	3,215.88	0.00	0.00
Other non-current assets	901.87	907.71	21.35	5.60
Non-current assets	4,128.74	4,137.69	120.58	106.56
2 Current assets				
Inventories	-	-	-	0.37
Financial Assets				
Trade receivables	4,857.49	6,512.77	437.08	884.67
Cash and cash equivalents	3.95	3.80	48.83	25.87
Bank balances other than above	7.41	7.41	10.42	86.67
Other current assets	4.33	4.60	723.90	273.72
Current assets	4,873.18	6,528.59	1,220.22	1,271.30
TOTAL ASSETS	9,001.92	10,666.28	1,340.81	1,377.86
II. EQUITY AND LIABILITIES				
1 Equity				
Equity share capital	2,355.34	2,355.34	2,355.34	2,355.34
Other Equity	(81,539.20)	(79,672.65)	(91,107.51)	(90,686.77)
	(79,183.87)	(77,317.31)	(88,752.18)	(88,331.44)
2 Non-Current Liabilities				
Financial Liabilities				
Provisions	9.23	7.87	41.20	24.55
Lease Liabilities			15.44	-
Non-Current Liabilities	9.23	7.87	56.64	24.55
3 Current liabilities				
Financial Liabilities				
Short term borrowings	46,048.46	46,048.46	47,226.89	46,048.46
Lease Liabilities			3.44	-
Trade payables	56.56	71.69	313.31	910.82
Other financial Liabilities	-	-	179.22	-
Short term Provisions	-	-	1.28	-
Other current liabilities	41,923.85	41,707.89	42,135.78	42,577.78
Provisions	147.69	147.69	176.42	147.69
Current liabilities	88,176.56	87,975.72	90,036.33	89,684.74
TOTAL EQUITY AND LIABILITIES	9,001.92	10,666.28	1,340.81	1,377.86

Cranes Software International Limited

CIN : L05190KA1984PLC031621

Standalone Statement of cash flows for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31,	For the year ended March 31,
Cash Flow From Operating Activities		
Profit / (Loss) before income tax	(1,866.55)	11,475.93
Adjustments for		
Depreciation and amortisation expense	3.11	5.44
Bad Debts Written off	2.92	-
Allowances for Credit Loss	1,657.48	1,606.35
Foreign Exchange Loss/(Gain) (Net)	1.29	612.93
Interest on Bank loans written back on settlement with banks	-	(6,948.57)
Term Loan Principal written back on settlement with banks	-	(3,600.00)
Balance no longer payable written Back	-	(8,304.11)
Finance costs	0.00	309.21
	(201.74)	(4,842.83)
Change in operating assets and liabilities		
(Increase)/ decrease in loans		
(Increase)/ decrease in Other financial assets		
(Increase)/ decrease in inventories		
(Increase)/ decrease in trade receivables	5.12	38.04
Increase/ (decrease) in Other non-current assets	(5.84)	333.09
(Increase)/ decrease in Other current assets	0.28	1,524.93
Increase/ (decrease) in provisions and other liabilities	217.46	(194.33)
Increase/ (decrease) in Borrowings	-	(11,812.36)
Increase/ (decrease) in trade payables	(15.13)	(84.62)
Cash generated from operations	0.15	(15,038.08)
Less : Income taxes paid (net of refunds)	-	-
Net cash from operating activities (A)	0.15	(15,038.08)
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)		
Impairment of Assets	-	-
Proceeds from sale of Intangible Assets	-	-
(Purchase)/ disposal proceeds of Investments	-	4,794.30
Interest income		
Net cash used in investing activities (B)	-	4,794.30
Cash Flows From Financing Activities		
Finance costs	(0.00)	(309.21)
Interest on Bank loans written back on settlement with banks	-	6,948.57
Term Loan Principal written back on settlement with banks	-	3,600.00
Net cash from/ (used in) financing activities (C)	(0.00)	10,239.36
Net decrease in cash and cash equivalents (A+B+C)	0.15	(4.44)
Cash and cash equivalents at the beginning of the financial year	11.21	15.65
Cash and cash equivalents at end of the year	11.36	11.21
Notes:		
2. Components of cash and cash equivalents		
Balances with banks		
- in current accounts	7.41	7.41
- in deposit accounts		
Others	3.95	3.80
Cash on hand		-
	11.36	11.21

Cranes Software International Limited

CIN : L05190KA1984PLC031621

Consolidated Statement of cash flows for the year ended March 31, 2024

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash Flow From Operating Activities		
Profit before income tax	(1,661.95)	13,068.87
Adjustments for		
Depreciation and amortisation expense	15.00	16.20
Bad Debts Writteroff	9.28	379.89
Foreign Exchange (Loss)/Gain (Net)	29.91	477.89
Sundry Credit Balances Writtern off	(296.98)	(940.09)
Interest on Bank loans written back	(8.72)	(3,600.00)
Balance no longer payable written Back	(296.98)	(8,043.69)
Exceptional item	1,185.87	1,140.00
Finance costs	13.04	325.15
	(1,011.55)	2,824.22
Change in operating assets and liabilities		
(Increase)/ decrease in trade receivables	491.85	(272.68)
(Increase)/ decrease in Other assets	(465.93)	2,029.09
Increase/ (decrease) in Current liabilities	(227.57)	(4,950.84)
Increase/ (decrease) in trade payables	(597.51)	(100.85)
Cash generated from operations	(1,810.70)	(471.06)
Less : Income taxes paid (net of refunds)	(25.42)	(5.91)
Net cash from operating activities (A)	(1,836.13)	(476.97)
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(32.77)	(15.72)
Net cash used in investing activities (B)	(32.77)	(15.72)
Cash Flows From Financing Activities		
Interest on borrowed funds	(13.04)	(325.14)
Borrowings/repayments		
Loan Principal Writeback	296.98	940.09
Interest on Bank loans written back	8.72	3,600.00
Balance no longer payable written back	296.98	8,043.69
Reclassification of Borrowings	1,193.87	(11,807.37)
Long term Provisions	32.09	(14.63)
Net cash from/ (used in) financing activities (C)	1,815.60	436.64
Net decrease in cash and cash equivalents (A+B+C)	(53.29)	(56.05)
Cash and cash equivalents at the beginning of the financial year	112.55	168.60
Cash and cash equivalents at end of the year	59.25	112.55

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".

2. Components of cash and cash equivalents

Balances with banks		
- in current accounts	46.87	16.42
- in deposit accounts	-	-
Others	10.42	86.67
Cash on hand	1.96	9.46
	59.25	112.54

Notes

1. The above result is for the quarter & Year ended March 31, 2024, as reviewed and recommended by the Audit Committee of the Board, has been approved by the Board of Directors at its meeting held on July 06, 2024.
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.
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, Loan from UPS Capital & Banks for the quarter ended March 31, 2024.
5. The Company has not restated for FCCB liability, Loan from UPS Capital, and interest thereon for the quarter ended March 31, 2024.

for Cranes Software International Limited

Place: Bangalore
Date: 06th July 2024

Asif Khader
Manging Director
DIN - 00106674

Partners :
Sohan Chaturvedi FCA
Chaturvedi V N FCA
Noshir B Captain FCA
Rajiv Chauhan FCA
Neha Chauhan ACA
Shristi Chaturvedi ACA
Prakash Mistry FCA



Chaturvedi Sohan & Co.

Chartered Accountants

FRN - 118424W

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

To the Board of Directors of Cranes Software International Limited

Qualified Opinion

We have audited the standalone financial results of **Cranes Software International Limited** for the year ended 31st March 2024, 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 amended) ("Listing Regulations") including relevant circulars issued by SEBI from time to time.

In our opinion and to the best of the information and according to the explanation given to us, *except* to the matters expressed in the **Basis of Qualified Opinion**, and **Emphasis of Matter Paragraph**, the statement

Presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and,

Gives a true and fair view in conformity with the applicable Indian accounting standards (IND AS) as prescribed under the section 133 of the Companies Act 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India, of the standalone loss and other comprehensive Income and other financial information of the Company as at 31st March, 2024.

With respect to the standalone Financial Results for the quarter ended 31st March, 2024, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the standalone Financial Results for the quarter ended March 31, 2024, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Page 1 of 8



Basis for Qualified Opinion

We conducted our audit in accordance with the standards of auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the audit of the statement section of our report. We are independent of the company in accordance with the code of ethics issued by the institute of Chartered Accountants of India (The ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion

1. The attached Balance Sheet as at **31st March, 2024** is drawn on the basis of the Principle of 'Going Concern'. We opine as follows in this connection:
 - i. Due to Negative Net-worth and pending cases, it cast a significant uncertainty on the Company ability to continue as a going concern, however the management is hopeful for recovery hence the financials result prepared on going concern basis. The Shareholders of the Company passed a special resolution at the Annual General Meeting of the Company held on December 30, 2023 for subscription of 4,00,00,000 warrants at a price of Rs. 4.57 per / warrant by Mr. Asif Khader, promoter and director of the Company for re-capitalisation the company and repayment of loan to Bank of India.
 - ii. Investment – As per Company accounting policy the Company has adopted fair value model to value the investment, but the company has been continuously valued all investment at cost price. Due to non-availability of current market value of investments we are unable to comment on the quantum of fair value adjustments required by the company. Details of Investment and Net-worth is as follows.

Particular	Investment value (In Lakhs)	Net-worth (In Lakhs) As on 31-03-2024	Relationship
Systat Software Inc USA	1851.18	(7294.42)	Subsidiary
Systat Software Asia Pacific Limited	38.00	(128.98)	Subsidiary
Systat Software GMBH – Germany	14.48	64.68	Subsidiary
Analytix Systems Private Limited	630.00	(0.09)	Subsidiary
Caravel Info Systems Pvt Ltd	362.33	(668.54)	Subsidiary
Proland Software Pvt Ltd	318.89	(682.24)	Subsidiary
Cranes Varsity Pvt Ltd	1.00	(36.29)	Subsidiary
Total	3215.88		

- iii. Expected credit loss: following assets are non-performing in nature hence As per IND AS 109 "Financials instrument" the company needs to provide ECL by following lifetime ECL model.



Particulars	Amount
Investment	3215.88 Lakhs
Loan and advances	901.87 lakhs
Trade receivables	4,857.49 lakhs
	8975.24

The company has not provided expected credit loss on investment made in U.S subsidiary 1851.18 and receivable from U.S subsidiary amounting to Rs . 4857.49 had the same thing provided Loss for the year would have been higher for the year by Rs 6708.67

- iv. Legal proceedings u/s.138 of the Negotiable Instruments Act has been initiated by Bank of India.
- v. The Company has defaulted in booking and payment of various statutory dues to various statutory authorities.
- vi. 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.
- vii. Loan availed by the company from 'UPS Capital Business Credit' remains unpaid and is overdue since April 2014. The management is of the view that the liability of INR 696.37 lakhs (including interest) reflected in the financial statements will adequately cover its liability on settlement of dues and therefore no provision for interest is provided for the period ended 31st March, 2024.
- viii. In continuation to the point 'vii' above, the company has also discontinued the restatement of the Exchange fluctuation gain / loss on account of the outstanding due towards 'UPS Capital Business Credit' 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 period ended 31st March,2024
- ix. 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 INR 5531.82 lakhs on such outstanding amounts for the period ended 31st March, 2024 due to Bank of India, though the confirmation of such dues were not made available to us from the Bank Had the said interest been provided in the books in the normal course, the present loss for the period ended 31st March, 2024 would have been higher by INR 5531.82 lakhs.
- x. Willful defaulter: The bank of India has declared Company and promoters as "willful defaulter".
- xi. 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
 - a. the amounts outstanding to them as on the date of Balance Sheet.
 - b. We would like to draw the attention of the members to note no. 25 of the standalone Ind AS Financial Statements regarding default of payments to various statutory authorities.



- xii. INR 38,695 lakhs (including interest amounting to INR 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 period ended 31st March, 2024. Had such interest been provided in the books in the normal course, the present loss for the period ended 31st March, 2024 would have been higher by INR 1799.78 lakh
- xiii. In continuation to the point 'xi' 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 period ended 31st March, 2024 would have been higher by INR 8740.20 lakhs.
- xiv. There are undisputed statutory dues including dues on current year's transactions, on account of Provident Fund Contribution, Employee State Insurance, Income Tax, Service tax, Sales Tax, Goods and Service tax, Dividend Distribution Tax and the like, not deposited by the Company in favour of the respective statutory authorities.
- xv. The company has not complied with RBI guidelines since March 2011

Emphasis of Matter

The attached Balance Sheet as at 31st March, 2024 is drawn on the basis of the Principle of 'Going Concern'. We opine as follows in this connection:

- c. Redemption of Foreign currency convertible bond
Redemption of Foreign currency convertible bond amounting to INR. 29,085.00 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.
- d. Term loans and working capital loan availed by the company from Bank of India amounting to INR 39,006.21 lakhs remain unpaid and are overdue since 2009, remain unpaid and are overdue since 2009. The lender has 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 the respective Hon'ble Courts. Winding up petition has been filed by Bank of India against the company, before the Hon'ble High Court of Karnataka for non-payment of principal and the accrued interest thereon.



the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the audit of statement

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs, specified under section of 143(10) of the Act will always detect a material mis-statement when it exists. Mis-statements can arise from fraud or error and are considered material if individually or in aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The statement includes the financial results of the quarter ended 31st March 2024, being the balancing figures between the audited figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For **Chaturvedi Sohan & Co.**

Chartered Accountants

Registration No.118424W

Vivekanand Chaturvedi

Partner

M.No:106403

UDIN: 24106403BKBFHK2707



Date: 6th July 2024

Place: Mumbai

Partners :
Sohan Chaturvedi FCA
Chaturvedi V N FCA
Noshir B Captain FCA
Rajiv Chauhan FCA
Neha Chauhan ACA
Shristi Chaturvedi ACA
Prakash Mistry FCA



Chaturvedi Sohan & Co.

Chartered Accountants

FRN - 118424W

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

To The Board of Directors of Cranes Software International Limited

Qualified Opinion

1. We have audited the accompanying consolidated annual financial results of **Cranes Software International Limited ("the Holding Company")** and its subsidiaries (the Holding company and its subsidiaries together referred to as the Group) for the year ended 31st March 2024 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 amended)("Listing Regulations") including relevant circulars issued by SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us these consolidated year-end financial 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) Proland Software Pvt Ltd
 - (e) Systat Software Asia Pacific Ltd
 - (f) Systat Software Inc (USA)
 - (g) Systat Software GmbH (Germany)
3. In our opinion and to the best of the information and according to the explanation given to us, *except* to the matters expressed in the **Basis of Qualified Opinion**, and **Emphasis of Matter Paragraph**, the statement
 - i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and,
 - ii) gives a true and fair view in conformity with the applicable Indian accounting standards (IND AS) as prescribed under the section 133 of the Companies Act 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, of the

Page 1 of 6



consolidated loss and other comprehensive Income and other financial information of the Company as at 31st March, 2024.

4. With respect to the Consolidated Financial Results for the year ended March 31, 2024, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the year ended March 31, 2024, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Qualified Opinion

We conducted our audit in accordance with the standards of auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the audit of the statement section of our report. We are independent of the company in accordance with the code of ethics issued by the institute of Chartered Accountants of India (The ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

- 1) The attached Balance Sheet as at **31st March, 2024** is drawn on the basis of the Principle of 'Going Concern'. We opine as follows in this connection:

Due to Negative Net-worth and pending cases, it cast a significant uncertainty on the Company ability to continue as a going concern, however the management is hopeful for recovery hence the financials result prepared on going concern basis. The Shareholders of the Company passed a special resolution at the Annual General Meeting of the Company held on December 30, 2023 for subscription of 4,00,00,000 warrants at a price of Rs. 4.57 per / warrant by Mr. Asif Khader, promoter and director of the Company for re-capitalisation the company and repayment of loan to Bank of India.

Expected credit loss: following assets are non-performing in nature hence As per IND AS 109 "Financials instrument" the company needs to provide ECL by following lifetime ECL model.

Particulars	Amount
Loan and advances	901.87 lakhs
Trade receivables	4,857.49 lakhs



The company has not provided expected credit loss of receivables in U.S subsidiary amounting to Rs 4,857.49 lakhs had the same mean provided loss for the year would have been higher by Rs. 4,857.49 lakhs for the year

2) Legal proceedings u/s.138 of the Negotiable Instruments Act has been initiated by Bank of India.

3) The Company has been defaulted in booking and payment of various statutory dues to various statutory authorities.

4) 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.

5) Loan availed by the company from 'UPS Capital Business Credit' remains unpaid and is overdue since April 2014. The management is of the view that the liability of INR 696.37 lakhs (including interest) reflected in the financial statements will adequately cover its liability on settlement of dues and therefore no provision for interest is provided for the period ended 31st March, 2024.

6) In continuation to the point '5' above, the company has also discontinued the restatement of the Exchange fluctuation gain / loss on account of the outstanding due towards 'UPS Capital Business Credit' and the interest due thereon, in line with the Ind AS-21 "The Effects of Changes in Foreign Exchange Rates".

7) 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 INR 5531.82 lakhs on such outstanding amounts for the period ended 31st March,2023 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 period ended 31st March,2023 would have been higher by INR 5531.82 lakhs.

8) Wilful defaulter: The bank of India has declared Company and promoters as "wilful defaulter".

9) 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 INR 38,695 lakhs (including interest amounting to INR 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 period ended 31st March,2024. Had such interest been



provided in the books in the normal course, the present loss for the period ended 31st March,2023 would have been higher by INR 1799.78 lakhs.

10) In continuation to the point '9' 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 period ended 31st March,2023 would have been higher by INR 8740.20 lakhs.

11) There are undisputed statutory dues including dues on current year's transactions, on account of Provident Fund Contribution, Employee State Insurance, Income Tax, Service tax, Sales Tax, Goods and Service tax, Dividend Distribution Tax and the like, not deposited by the Company in favour of the respective statutory authorities.

12) The company has not complied with RBI guidelines since March 2011

Emphasis of Matter

Our audit report has to be read along with the 'Emphasis of Matter' para as appearing in our Independent Auditor's Report of even date in respect of the Standalone financials of Cranes Software International Limited.

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

Responsibilities of the Management and Those Charged with Governance for the statement

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free



from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies including in the group are also responsible for overseeing the financial reporting process of the group.

Auditor's Responsibility for the audit of statement

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs, specified under section of 143(10) of the Act will always detect a material mis-statement when it exists. Mis-statements can arise from fraud or error and are considered material if individually or in aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw



attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

1. We did not audit the financial statements of seven (7) subsidiaries included in the consolidated year end results, whose consolidated financial statements reflect total assets of INR 2,284.65 Lakhs as at 31st March 2024 and the total revenue of INR 2,689.78 Lakhs For the year ended 31st March 2024
2. The statement includes the financial results of the year ended 31st March 2024, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For **Chaturvedi Sohan & Co.**

Chartered Accountants

Registration No.118424W


Vivekanand Chaturvedi

Partner

M.No:106403

UDIN: 24106403BKBFHL9350



Date: 6th July 2024

Place: Mumbai

ANNEXURE-I

Statement of Impact of Audit Qualifications for the Financial Year ended March 31, 2024
 (See Regulation 33/35 of SEBI (LODR) Amendment) Regulations, 2016

(Rs. Lakhs)						
I	SL.No.	Particulars	Audited Figures (as reported before adjusting for qualification)	Audited Figures (as reported after adjusting for qualification)	Audited Figures	Audited
					(as reported before adjusting for qualification)	Figures (as reported after adjusting for qualification)
			Standalone		Consolidated	
	1	Turnover/Total Income	0.03	0.03	1,033.78	1,033.78
	2	Total Expenditure	1,866.58	26,913.32	2,854.15	18,925.95
	3	Net Profit/(Loss)	(1,866.55)	(26,913.29)	(1,820.37)	(17,892.17)
	4	Earning per share	(1.58)	(7.44)	(1.55)	(8.28)
	5	Total Assets	9,001.82	9,001.82	1,340.81	1,340.81
	6	Total Liabilities	88,185.79	1,04,257.59	90,092.97	1,06,164.77
	7	Net Worth	(79,183.97)	(95,255.77)	(88,752.16)	(1,04,823.96)
	8	Any other financial item (s) (as felt appropriately by the management)	-	-	-	-

II Audit Qualification (each audit qualification separately):

- | | |
|--|-------------------|
| a. Details of Audit Qualification: | Refer Annexure |
| b. Type of Audit Qualification: | Qualified opinion |
| c. Frequency of qualification | Refer Annexure |
| d. For Audit Qualification (s) where the impact is quantified by auditors,
Management's Views | Refer Annexure |
| e. For Audit Qualification(s) where the impact is not quantified by the auditor | Refer Annexure |

(I) Management's estimation on the impact of audit qualification:

(II) If management is unable to estimate the impact, reasons for the same:

(III) Auditor's Comments on (I) or (II) above:

III Signatories

CEO/Managing Director

CFO

Audit Committee Chairman

Statutory Auditor

Place: Bangalore
Date: 06/07/2024

The image shows three circular stamps of 'Cranes Software International Limited, Bangalore' and one circular stamp of 'CHATURVEDI SOHAN & CO MUMBAI CHARTERED ACCOUNTANTS'. There are also handwritten signatures in blue ink over the stamps.

Sl. No	Details of Audit Qualification	[a]	Type of Audit Qualification [b]	Frequency of Qualification [c]	Quantified Audit Report [YES/NO] [d]	Management's Views [e]	Auditors Comments on Management's Views
1	The Company has been defaulted in booking and payment of various statutory dues to various statutory authorities. There are undisputed statutory dues including dues on current year's transactions, on account of Provident Fund Contribution, Employee State Insurance, Income Tax, Service tax, Sales Tax, Goods and Service tax, Dividend Distribution Tax and the like, not deposited by the Company in favour of the respective statutory authorities		Qualified opinion	Repetitive	No	Under difficult business uncertainties and dire financial constrains, the company reasonably utilized available funds to cover critical liabilities and sustain essential business operations. With a range of favorable resolutions and settlements being actively pursued, and strong focus on business stability and revival, the company fully intends to take care of liabilities, statutory dues and interests of its valued employees, partners and other stakeholders.	Audit Note is self explanatory.
2	The company has not complied with RBI guidelines since March 2011		Qualified opinion	Repetitive	No	The Company is in the process of reviewing all RBI filings and will shortly ensure all pending RBI compliances.	
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 Loan availed by the company from 'UPS Capital Business Credit' remains unpaid and is overdue since April 2014. The management is of the view that the liability of INR 696.37 lakhs (including interest) reflected in the financial statements will adequately cover its liability on settlement of dues and therefore no provision for interest is provided for the period ended 31st March, 2024 In continuation to the point 'vi' above, the company has also discontinued the restatement of the Exchange fluctuation gain / loss on account of the outstanding due towards 'UPS Capital Business Credit' 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 period ended 31st March, 2024 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 INR 5531.82 lakhs on such outstanding amounts for the period ended 31st March, 2024 due to Bank of India, though the confirmation of such dues were not made available to us from the a institution. Had the said interest been provided in the books in the normal course, the present loss for the period ended 31st March, 2024 would have been higher by INR 5531.82 lakhs Willful defaulter: The bank of India has declared Company and promoters as "willful defaulter"	Qualified opinion	Repetitive	YES	The Company continues active defense of its position in these debt cases, and is in advanced settlement negotiations with both secured and unsecured lenders. Favorable settlements have been reached with some debtors and similar resolutions are expected with remaining debtors in due course	Audit Note is self explanatory.	
4	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 INR 38,695 lakhs (including interest amounting to INR 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 period ended 31st March, 2024. Had such interest been provided in the books in the normal course, the present loss for the period ended 31st March, 2024 would have been higher by INR 1799.78 lakh In continuation to the point 'xi' 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 period ended 31st March, 2024 would have been higher by INR 8740.20 lakhs		Qualified opinion	Repetitive	YES	The Company has remained actively engaged with the FCCB holders toward a mutually-favorable resolution - the parties expect a settlement soon which satisfies bond-holders' interests and also sustains the company business by withdrawal of the winding-up petition	Audit Note is self explanatory.



<p>5 Redemption of Foreign currency convertible bond amounting to INR- 29,085.00 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</p>	<p>Emphasis of Matter</p>	<p>Repetitive</p>	<p>Yes</p>	<p>The Company has remained actively engaged with the FCCB holders toward a mutually-favorable resolution - the Company reached a settlement with FCCB holder who filed the winding up petition and the Company petition for winding up petition has since been withdrawn.</p>	<p>Audit Note is self explanatory.</p>
<p>6 Term loans and working capital loan availed by the company from Bank of India amounting to INR 39,006.21 lakhs remain unpaid and are overdue since 2009, remain unpaid and are overdue since 2009. The lender has 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 the respective Hon'ble Courts. Winding up petition has been filed by Bank of India against the company, before the Hon'ble High Court of Karnataka for non-payment of principal and the accrued interest thereon</p> <p>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</p>	<p>Emphasis of Matter</p>	<p>Repetitive</p>	<p>Yes</p>	<p>The Company is actively engaged with Bank of India for settlement of its dues and the discussion with Bank of India is in an advanced stage.</p>	<p>Audit Note is self explanatory.</p>
<p>7 We would like to draw the attention of the members to note no. 25 of the standalone Ind AS Financial Statements regarding default of payments to various statutory authorities</p>				<p>Under difficult business uncertainties and dire financial constraints, the company reasonably utilized available funds to cover critical liabilities and sustain essential business operations. With a range of favorable resolutions and settlements being actively pursued, and strong focus on business stability and revival, the company fully intends to take care of liabilities, statutory dues and interests of its valued employees, partners and other stakeholders.</p>	
<p>8 We draw attention to Note No. 33 of the standalone Ind AS 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</p> <p>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</p> <p>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</p>	<p>Emphasis of Matter</p>	<p>Repetitive</p>	<p>No</p>	<p>The Management continues to believe there is no diminution in the value of strategic financial and executive support provided as investment into its subsidiaries. The company has nurtured valuable IP rights and assets in these subsidiaries whose long-term value will be unlocked as and when the company is able to resume its normal business plans and operations. These are long-term, investments strategically linked to future growth of the company and the Management expects to recover good gains (including past receivables) based on planned business stabilizing and growth in these subsidiaries.</p>	<p>Audit Note is self explanatory.</p>
<p>9 The company has not provided Expected Credit Loss on investment made in US subsidiary amounting to Rs 4,857.49 Lakhs and receivables from US subsidiary amounting to Rs 4,857.49 Lakhs Had the same been provided loss for the year would have been higher by Rs 4,857.49 Lakhs for the year</p>		<p>First Time</p>	<p>YES</p>		



Slu m



Q



Sl. No	Details of Audit Qualification	Type of Audit Qualification	Frequency of Qualification	Quantified Audit Report [YES/NO]	Management's Views	Auditors Comments on Management's Views
	[a]	[b]	[c]	[d]	[e]	
1	The Company has been defaulted in booking and payment of various statutory dues to various statutory authorities There are undisputed statutory dues including dues on current year's transactions, on account of Provident Fund Contribution, Employee State Insurance, Income Tax, Service Tax, Sales Tax, Goods and Service tax, Dividend Distribution Tax and the like, not deposited by the Company in favour of the respective statutory authorities	Qualified opinion	Repetitive	No	Under difficult business uncertainties and dire financial constraints, the company reasonably utilized available funds to cover critical liabilities and sustain essential business operations. With a range of favorable resolutions and settlements being actively pursued, and strong focus on business stability and revival, the company fully intends to take care of liabilities, statutory dues and interests of its valued employees, partners and other stakeholders.	Audit Note is self explanatory.
2	The company has not complied with RBI guidelines since March 2011	Qualified opinion	One time	No	The Company is in the process of reviewing all RBI filings and will shortly ensure all pending RBI compliances.	
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 Loan availed by the company from 'UPS Capital Business Credit' remains unpaid and is overdue since April 2014. The management is of the view that the liability of INR 696.37 lakhs (including interest) reflected in the financial statements will adequately cover its liability on settlement of dues and therefore no provision for interest is provided for the period ended 31st March, 2024 In continuation to the point '5' above, the company has also discontinued the restatement of the Exchange fluctuation gain / loss on account of the outstanding due towards 'UPS Capital Business Credit' and the interest due thereon, in line with the Ind AS-21 "The Effects of Changes in Foreign Exchange Rates". 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 INR 5531.82 lakhs on such outstanding amounts for the period ended 31st March, 2023 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 period ended 31st March, 2023 would have been higher by INR 5531.82 lakhs. Willful defaulter: The bank of India has declared Company and promoters as "willful defaulter"	Qualified opinion	Repetitive	YES	The Company continues active defense of its position in these debt cases, and is in advanced settlement negotiations with both secured and unsecured lenders. Favorable settlements have been reached with some debtors and similar resolutions are expected with remaining debtors in due course	Audit Note is self explanatory.
4	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 INR 38,695 lakhs (including interest amounting to INR 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 period ended 31 st March, 2024. Had such interest been provided in the books in the normal course, the present loss for the period ended 31 st March, 2023 would have been higher by INR 1799.78 lakhs. In continuation to the point '9' 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 period ended 31 st March, 2023 would have been higher by INR 8740.20 lakhs.	Qualified opinion	Repetitive	YES	The Company has remained actively engaged with the FCCB holders toward a mutually-favorable resolution - the parties expect a settlement soon which satisfies bond-holders' interests and also sustains the company business by withdrawal of the winding-up petition	Audit Note is self explanatory.

