



Cranes Software International Limited

Correspondence Address:

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

Ph: +91 80 6764 4800/4848

Fax: +91 80 6764 4888

Email: training@cranessoftware.com

14th November, 2022

To,
The Manager
Department of Corporate Services
Bombay Stock Exchange Ltd.,
P J Towers, Dalal Street
Mumbai – 400 001

Dear Sir,

Sub: Meeting of the Board of Directors – Outcome
Ref: Company No. 512093

Further to our letter dt. 5th November, 2022 informing you of the Board of Directors Meeting, we wish to inform you that at the meeting of the Board of Directors held today (14th November, 2022), the Board has:

- Approved and taken on record the un-audited financial results for the quarter and period ended 30th September, 2022. The results are enclosed herewith for your information / records.
- The Limited Review Report is also enclosed for your reference.

Thanking you,

Yours faithfully,
For Cranes Software International Ltd.

Authorised Signatory
Name: Mueed Khader
Designation: Director

CRANES SOFTWARE INTERNATIONAL LIMITED

Regd Office : # 82, Presidency Building, 3rd & 4th Floor, St.Marks Road, BANGALORE - 560 001
Ph.080 67644848 Fax:080 67644888 Email:info@cranessoftware.com Website: www.cranessoftware.com
CIN : LO5190KA1984PLC031621

Statement of Unaudited Financial Result for the Quarter & Half Year Ended 30th September, 2022

(Rs.In Lakhs)

PART-1

SL. No.	Particulars	Standalone						Consolidated						
		Quarter Ended			Half Year Ended			Quarter Ended			Half Year Ended			Year Ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022	30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Income from Operations	-	-	11.76	-	30.55	41.30	194.37	77.17	228.98	271.53	349.74	585.87	
	Net Sales/Income from Operations	0.74	10,548.57	0.00	10,549.31	0.26	6,496.92	66.29	10,553.02	6.31	10,619.30	18.10	6,548.87	
	Other Income	0.74	10,548.57	11.77	10,549.31	30.81	6,538.22	260.65	10,630.18	235.29	10,890.84	367.85	7,134.74	
	Total Income													
2	Expenses	-	-	-	-	-	-	7.75	1.50	24.87	9.25	54.47	97.73	
	(a) Cost of materials consumed	-	-	-	-	-	-	-	-	-	-	-	-	
	(b) Purchase of Stock-in-Trade	-	-	-	-	-	-	-	-	-	-	-	-	
	(c) Changes in inventories of finished goods and work-in-progress	12.57	10.15	25.67	22.72	55.10	102.02	226.64	119.42	324.83	346.06	433.31	761.16	
	(d) Employee benefit expense	0.03	3.77	-	3.80	-	75.20	-	3.84	8.41	3.80	16.52	110.44	
	(e) Finance costs	1.35	1.36	2.19	2.71	4.55	8.76	3.29	3.44	0.81	6.73	45.44	52.75	
	(f) Depreciation and amortization expense	1,098.83	319.10	586.75	1,417.93	828.39	3,534.92	391.83	348.55	1,303.25	740.42	1,622.44	3,019.41	
	(g) Other expenses	1,112.78	334.38	614.61	1,447.16	888.04	3,720.90	629.51	476.76	1,662.17	1,106.26	2,172.18	4,041.50	
	Total Expenses													
3	Profit/(Loss) from Ordinary activities before exceptional items & taxes (1-2)	(1,112.04)	10,214.19	(602.85)	9,102.15	(857.23)	2,817.32	(368.85)	10,153.42	(1,426.88)	9,784.57	(1,804.33)	3,093.23	
4	Exceptional Items	-	-	-	-	-	-	20.23	-	-	20.23	-	-	
5	Profit/(Loss) from ordinary activities before tax (3-4)	(1,112.04)	10,214.19	(602.85)	9,102.15	(857.23)	2,817.32	(348.62)	10,153.42	(1,426.88)	9,804.81	(1,804.33)	3,093.23	
6	Tax expense/(credit)	-	-	-	-	-	-	0.63	-	0.26	0.63	0.26	11.77	
	(a) Current Tax	1,350.85	1,664.63	(150.63)	3,015.48	(214.96)	4,351.08	1,350.85	1,664.63	(150.99)	3,015.48	(262.28)	4,581.30	
	(b) Deferred Tax	1,350.85	1,664.63	(150.63)	3,015.48	(214.96)	4,351.08	1,350.22	1,664.63	(150.73)	3,014.85	(262.02)	4,593.07	
	Total tax expenses / (credit)	(2,462.89)	8,549.56	(452.22)	6,086.66	(642.27)	(1,533.77)	(1,698.84)	8,488.79	(1,276.14)	6,789.95	(1,542.31)	(1,499.84)	
7	Net Profit/(Loss) from ordinary activities after tax (5-6)	-	-	-	-	-	-	-	-	-	-	-	-	
8	Extraordinary Items	(2,462.89)	8,549.56	(452.22)	6,086.66	(642.27)	(1,533.77)	(1,698.84)	8,488.79	(1,276.14)	6,789.95	(1,542.31)	(1,499.84)	
9	Net Profit/(Loss) for the period (7-8)	(2,462.89)	8,549.56	(452.22)	6,086.66	(642.27)	(1,533.77)	(1,698.84)	8,488.79	(1,276.14)	6,789.95	(1,542.31)	(1,499.84)	
10	Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-	
11	Net Profit/(Loss) after Taxes, minority interest and share of profit/Loss of associates(9+10)	(2,462.89)	8,549.56	(452.22)	6,086.66	(642.27)	(1,533.77)	(1,698.84)	8,488.79	(1,276.14)	6,789.95	(1,542.31)	(1,499.84)	
12	Total Comprehensive Income for the period [Net of tax]	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	2,355.34	
13	Paid-up equity share capital (Face Value of Rs 2/-)	-	-	-	-	-	-	(70,913.89)	-	-	-	-	(78,750.70)	
14	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	-	-	-	-	-	-	-	
15	Earnings Per Share (Rs) (not annualised)	(2.09)	7.26	(0.38)	5.17	(0.55)	(1.30)	(1.44)	7.21	(1.08)	5.77	(1.31)	(1.27)	
	i) Basic	(2.09)	7.26	(0.38)	5.17	(0.55)	(1.30)	(1.44)	7.21	(1.08)	5.77	(1.31)	(1.27)	
	ii) Diluted													



CRANES SOFTWARE INTERNATIONAL LIMITED

PART-2

SL No	PARTICULARS	3 Months Ended			Year ended
		30.09.2022	30.06.2022	30.09.2021	31.03.2022
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
	- Percentage of shareholding	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
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	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%
	(b) Non-encumbered				
	- Number of shares	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%
	- Percentage of shares (as a % of the total share capital of the company)	5.54%	5.54%	5.54%	5.54%

B INVESTOR COMPLAINTS FOR 3 MONTHS ENDED 30TH SEPTEMBER 2022				
	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

Balance Sheet as at 30th September, 2022

(Rs in Lakhs)

Particulars	Standalone		Consolidated	
	As At 30.09.2022	As At 31.03.2022	As At 30.09.2022	As At 31.03.2022
I. ASSETS				
1 Non-current assets				
Property, plant and equipment	16.84	19.55	69.34	67.98
Capital work in progress	-	-	2,137.62	2,137.63
Intangible assets	-	-	-	-
Deferred Tax Asset (Net)	17,219.21	20,234.69	20,031.80	24,336.20
Financial Assets				
Investments	8,010.18	8,010.18	17.87	17.86
Other non-current assets	1,203.80	1,240.80	333.81	196.25
Non-current assets	26,450.03	29,505.21	22,590.45	26,755.92
2 Current assets				
Inventories	-	-	-	-
Financial Assets				
Trade receivables	7,352.16	8,157.16	727.72	769.59
Cash and cash equivalents	3.09	7.89	75.95	79.01
Bank balances	7.76	7.76	7.76	89.59
Other current assets	130.50	1,529.53	907.98	2,493.45
Current assets	7,493.52	9,702.34	1,719.42	3,431.65
TOTAL ASSETS	33,943.55	39,207.55	24,309.87	30,187.59
II. EQUITY AND LIABILITIES				
Equity				
Equity share capital	2,355.34	2,355.34	2,355.34	2,355.34
Other Equity	(64,827.23)	(70,913.89)	(71,967.25)	(78,750.71)
	(62,471.89)	(68,558.55)	(69,611.91)	(76,395.37)
Share application money pending allotment				
1 Non-Current Liabilities				
Financial Liabilities				
Provisions	8.33	10.51	135.27	39.17
Non-Current Liabilities	8.33	10.51	135.27	39.17
2 Current liabilities				
Financial Liabilities				
Borrowings	79,726.50	91,069.28	72,045.77	83,990.57
Trade payables	162.00	156.31	1,044.49	1,011.67
Other current liabilities	16,371.48	16,382.07	20,549.11	21,394.44
Provisions	147.12	147.93	147.12	147.12
Current liabilities	96,407.10	1,07,755.59	93,786.50	1,06,543.79
TOTAL EQUITY AND LIABILITIES	33,943.55	39,207.55	24,309.87	30,187.59



Cranes Software International Limited

CIN : L05190KA1984PLC031621

Standalone Statement of cash flows for the year ended Sep 30, 2022

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

Particulars	For the year ended Sep 30, 2022	For the year ended March 31, 2022
Cash Flow From Operating Activities		
Profit / (Loss) before income tax	9,102.15	2,817.32
Adjustments for		
Depreciation and amortisation expense	2.71	8.76
Bad Debts Written off	20.30	1,762.34
Allowances for Credit Loss	784.70	1,485.36
Foreign Exchange Loss/(Gain) (Net)	-	189.55
Interest on Bank loans written back on settlement with banks	(6,948.57)	(4,092.43)
Term Loan Principal written back on settlement with banks	(3,600.00)	(938.81)
Balance no longer payable written Back	(0.74)	(1,441.99)
Interest received	-	-
Finance costs	3.80	75.20
	(635.66)	(134.70)
Change in operating assets and liabilities		
(Increase)/ decrease in trade receivables	805.00	1,717.57
Increase/ (decrease) in Other non-current assets	(767.99)	(1,709.49)
(Increase)/ decrease in Other current assets	1,399.03	(1,120.05)
Increase/ (decrease) in Borrowings, provisions and other liabilities	(11,355.63)	(3,510.50)
Increase/ (decrease) in trade payables	5.69	(198.60)
Cash generated from operations	(10,549.56)	(4,955.77)
Less : Income taxes paid (net of refunds)	-	(4.03)
Net cash from operating activities (A)	(10,549.56)	(4,959.80)
Cash Flows From Investing Activities		
Net cash used in investing activities (B)	-	-
Cash Flows From Financing Activities		
Finance costs	(3.80)	(75.20)
Interest on Bank loans written back on settlement with banks	6,948.57	4,092.42
Term Loan Principal written back on settlement with banks	3,600.00	938.81
Net cash from/ (used in) financing activities (C)	10,544.77	4,956.03
Net decrease in cash and cash equivalents (A+B+C)	(4.79)	(3.77)
Cash and cash equivalents at the beginning of the financial year	15.65	19.42
Cash and cash equivalents at end of the year	10.86	15.65
Notes:		
2. Components of cash and cash equivalents		
Balances with banks		
- in current accounts	7.76	7.76
Others	3.09	7.87
Cash on hand	-	0.02
	10.85	15.65



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Cranes Software International Limited

CIN : L05190KA1984PLC031621

Consolidated Statement of cash flows for the year ended September 30, 2022

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

Particulars	For the year ended September 30, 2022	For the year ended March 31, 2022
Cash Flow From Operating Activities		
Profit before income tax	9,804.81	3,093.23
Adjustments for		
Depreciation and amortisation expense	6.73	52.75
Bad Debts Writteroff	-	24.92
Foreign Exchange (Loss)/Gain (Net)	488.46	167.63
Loan Principal Writeback	(3,600.00)	(938.81)
Interest on Bank loans written back	(6,948.57)	(4,114.98)
Balance no longer payable written Back	0.00	(1,442.00)
Interest received	3.80	110.44
Finance costs	(244.78)	(3,046.81)
Change in operating assets and liabilities		
(Increase)/ decrease in trade receivables	41.87	4,268.95
(Increase)/ decrease in Other assets	1,447.91	(2,407.43)
Increase/ (decrease) in Current liabilities	(1,333.78)	(5,030.37)
Increase/ (decrease) in trade payables	32.82	(299.74)
Increase/ (decrease) in Borrowings, provisions and other liabilities	(10,661.08)	-
Cash generated from operations	(10,717.04)	(6,515.40)
Less : Income taxes paid (net of refunds)	(0.63)	(11.77)
Net cash from operating activities (A)	(10,717.67)	(6,527.17)
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(8.09)	-
Net cash used in investing activities (B)	(8.09)	-
Cash Flows From Financing Activities		
Interest on borrowed funds	(3.80)	(110.44)
Borrowings/repayments	-	-
Loan Principal Writeback	3,600.00	938.81
Interest on Bank loans written back	6,948.57	4,114.98
Balance no longer payable written back	(0.00)	1,442.00
Long term loans and advances	-	-
Long term Provisions	96.10	(7.44)
Net cash from/ (used in) financing activities (C)	10,640.87	6,377.90
Net decrease in cash and cash equivalents (A+B+C)	(84.88)	(149.26)
Cash and cash equivalents at the beginning of the financial year	168.59	317.85
Cash and cash equivalents at end of the year	83.71	168.59

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	75.83	78.97
- in current accounts		
- in deposit accounts		
Others	7.76	89.59
Cash on hand	0.12	0.04
	83.71	168.60



Notes

1. The above result is for the quarter ended September, 2022, as reviewed and recommended by the Audit Committee of the Board, has been approved by the Board of Directors at its meeting held on November 14, 2022.
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 September 30, 2022.
5. The Company has not restated for FCCB liability, Loan from UPS Capital, and interest thereon for the quarter ended September 30, 2022.
6. Other income includes write-back of interest of Rs.69.48 Crore & principal of loan of Rs.36.00 Crore on account of a one-time settlement with the State Bank of India.
7. On a petition filed by Bank of New York (Bank) on behalf of the Foreign Currency Convertible Bond (FCCB) holders, the Karnataka High Court had ordered the winding up of the Company, in the Company Petition No.203/2010. During the quarter ended September 30, 2022, the bank had filed petition no. 43/ 2022 before the Karnataka High Court to withdraw the Company petition no. 203/2010. The Karnataka High Court allowed the petition of the bank and dismissed as withdrawn the Company petition no. 203/2010. Consequently, there is no winding-up order against the Company

for Cranes Software International Limited



Mueed Khader
Director
DIN - 00106674

Place: Bangalore
Date: 14th November 2022

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



Chaturvedi Sohan & Co.

Chartered Accountants

FRN - 118424W

Independent Auditor's Limited Review Report on the Quarterly and Year to date unaudited standalone financial results of the Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review Report to
 To The Board of Directors
Cranes Software International Limited

We have reviewed the accompanying statement of Unaudited Standalone Financial Results of **Cranes Software International Limited** ("the Company"), for the quarter ended September 30, 2022 and year to date from April, 01, 2022 to September 30, 2022 (The "Statement") 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.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS) 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 as amended, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit conducted in accordance with standards on Auditing specifies under section 143(10) of the Act. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion:

- 1) 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	Relationship

		on 31-03-2022	
Systat Software Inc USA	1851.18	(6,365.52)	Subsidiary
Systat Software Asia Pacific Limited	38.00	50.59	Subsidiary
Systat Software GMBH – Germany	14.48	371.75	Subsidiary
Cranes Software International Pte Limited – Singapore	44.31	(575.23)	Subsidiary
Cranes Software Inc	4500.73	6635.34	Subsidiary
Tilak Auto Tech Private Limited	51.62	(144.71)	Subsidiary
Analytix Systems Private Limited	630.00	8.10	Subsidiary
Caravel Info Systems Pvt Ltd	362.33	(488.22)	Subsidiary
Proland Software Pvt Ltd	318.89	(645.74)	Subsidiary
Esqube Communication Solutions Private Limited	179.89	(24.54)	Subsidiary
Cranes Varsity Pvt Ltd	1.00	2.72	Subsidiary
Cranes Software Middle East LLC – UAE	17.86	-	Other
Total	8010.29		

- 2) 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.

Particular	Amount
Investment	8010.18 Lakhs
Loan and advances	1196.55 lakhs
Trade receivables	7738.06 lakhs

- 3) Attention of the members is invited to the Financial Statements regarding recognition of deferred tax credit on account of unabsorbed losses and allowances aggregating to INR 17219.21 lakhs (year ended March 31, 2022 INR 20,234.69 lakhs). This does not satisfy the virtual certainty test for recognition of deferred tax credit as laid down in IND AS-12.
- 4) Legal proceedings u/s.138 of the Negotiable Instruments Act has been initiated by Bank of India.
- 5) The Company has been defaulted in booking and payment of various statutory dues to various statutory authorities.
- 6) 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.
- 7) 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 30th September 2022. Had such interest been provided in the books in the normal course, the present loss for the period ended 30th September, 2022 would have been higher by INR 23.58 lakhs.
- 8) In continuation to the point '7' 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 30th September, 2022 would have been higher by INR 27.28 lakhs.

- 9) 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 2525.88 lakhs on such outstanding amounts for the period ended 30th September, 2022 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 30st September, 2022 would have been higher by INR 2525.88 lakhs.
- 10) Wilful defaulter: The bank of India has declared Company and promoters as "wilful defaulter".
- 11) 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 30th September, 2022. Had such interest been provided in the books in the normal course, the present loss for the period ended 30th September, 2022 would have been higher by INR 409.80 lakh
- 12) In continuation to the point '10' 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 30th September, 2022 would have been higher by INR 1152.48 lakhs.
- 13) 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.

Emphasis of matter

- 1) We draw your attention to note no 7 to the financials result,

On a petition filed Bank of New York (Bank) on behalf of the Foreign Currency Convertible Bond (FCCB) holders, the Karnataka High Court had ordered winding up of the Company, in the Company petition No.203/2010. During the quarter ended September 30, 2022, the bank had filed a petition no. 43/ 2022 before the Karnataka High Court to withdraw the Company petition no. 203/2010. The Karnataka High Court allowed the petition of the bank and dismissed as withdrawn the Company petition no. 203/2010 . Consequently, there is no winding up order against the Company.

- 2) We Draw your attention to note 6 to the financial result,
Other income includes write-back of interest & principal of loan on account of one-time settlement with the State Bank of India.

Material Uncertainty Related to Going concern

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.

Other Matter:

The Financials result of the quarter ended 30th June 2022 , quarter and year the date from 01st April 2021 to 30th September 2021 was audited by Sethia Prabhadd Hedge & Co, also the financials statement for the year ended 31st March 2022 audited by Sethia Prabhadd Hedge & Co., who expressed qualified opinion on those financial statement.

Qualified Conclusion

Based on our review except for the effect as described in the *basis of qualification* paragraph, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited Financial Results prepared in accordance with Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rule, 2015 as amended by the companies (Indian accounting standards) (Amendment) Rule ,2016 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement

For Chaturvedi Sohan & Co.

Chartered Accountants

Firm Reg. No.: 118424W

N. B. Captain
Noshir Captain

Partner

M No: 009889

UDIN : 220098893D CG2P9624



Date: 14-11-2022

Place : Mumbai

Partners :

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



Chaturvedi Sohan & Co.

Chartered Accountants

FRN - 110424W

Independent Auditor's Limited Review Report on the Quarterly and Year to date unaudited Consolidated financial results of the Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Review Report to
To The Board of Directors
Cranes Software International Limited

We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of **Cranes Software International Limited** ("the Company"), for the quarter ended September 30, 2022 and year to date from April, 01, 2022 to September 30, 2022 (The "Statement") 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.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS) 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 as amended, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountant of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit conducted in accordance with standards on Auditing specifies under section 143(10) of the Act. We have not performed an audit and accordingly, we do not express an audit opinion.

The 'statement' includes the result of the entities mentioned in Annexure A.

Basis of Qualified Conclusion:

- 1) 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.

Particular	Amount
Loan and advances	1196.55 lakhs
Trade receivables	7738.06 lakhs

- 1) Attention of the members is invited to the Financial Statements regarding recognition of deferred tax credit on account of unabsorbed losses and allowances aggregating to INR 17219.21 lakhs (year ended March 31, 2022 INR 20,234.69 lakhs). This does not satisfy the virtual certainty test for recognition of deferred tax credit as laid down in IND AS-12.
- 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 30th September, 2022. Had such interest been provided in the books in the normal course, the present loss for the period ended 30th September 2022 would have been higher by INR 23.58 lakhs.
- 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". Had such restatement of liability been made in the books in the normal course, the present loss for the period ended 30th September, 2022 would have been higher by INR 27.28 lakhs.
- 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 2525.88 lakhs on such outstanding amounts for the period ended 30th September, 2022 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 30st September, 2022 would have been higher by INR 2525.88 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 30th September, 2022. Had such interest been provided in the books in the normal course, the present loss for the period ended 30th September, 2022 would have been higher by INR 409.80 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 30th September, 2022 would have been higher by INR 1152.48 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.

Emphasis of matter

- 1) We draw your attention to note no 7 to the financials result,

On a petition filed Bank of New York (Bank) on behalf of the Foreign Currency Convertible Bond (FCCB) holders, the Karnataka High Court had ordered winding up of the Company, in the Company petition No.203/2010. During the quarter ended September 30, 2022, the bank had filed a petition no. 43/ 2022 before the Karnataka High Court to withdraw the Company petition no. 203/2010. The Karnataka High Court allowed the petition of the bank and dismissed as withdrawn the Company petition no. 203/2010 . Consequently, there is no winding up order against the Company.

- 2) We Draw your attention to note 6 to the financial result,

Other income includes write-back of interest & principal of loan on account of one-time settlement with the State Bank of India.

Material Uncertainty Related to Going concern

Pending winding up cases against the Company and Negative Net-worth 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.

Other Matter:

- 1) The consolidated financials result of the quarter ended 30th June 2022 , quarter and year the date from 01st April 2021 to 30th September 2022 was audited by Sethia Prabhadd Hedge & Co, also the financials statement for the year ended 31st March 2022 audited by Sethia Prabhadd Hedge & Co., who expressed qualified opinion on those financial statement.
- 2) Interim Ind AS consolidated financial statements of seven domestic subsidiaries included in the Statement have been reviewed by their respective independent auditor and it reflects total assets of Rs1192.83 lakhs as at 30 September 2022, total revenue of Rs 249.23 lakhs, total and total other comprehensive income(loss) of (Rs 45.46) lakhs for six months ended 30 September 2022. These interim consolidated financial statements have been reviewed by their respective Independent auditors whose review reports have been furnished to us by the Parent's management. Our conclusion on the accompanying Statement, to the extent it has been derived from such interim consolidated financial statements is based solely on the reports of such other auditors and the procedures performed by us as stated above.
- 3) The Statement includes interim financial statements (separate/consolidated)/ financial information of four foreign subsidiaries which have not been reviewed by their respective independent auditors and is certified by the respective Company's management. These interim financial statements (separate/consolidated)/ financial information reflects total assets of Rs 11,391.05 lakhs as at 30 September 2022, total revenue of Rs 877.74 lakhs and total other comprehensive income of Rs 707.44 lakhs for the six months ended 30 September 2022. Our conclusion on the accompanying Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on these management certified interim financial statements (separate/consolidated)/ financial information, to the extent applicable, as stated above. According to the information and explanations given to us by the Parent Company's management, these interim financial statements (separate/consolidated)/ financial information are not material to the Group.

Please note the company has been not prepared cash flow of respective subsidiaries company accordingly we are unable to disclose the net cash flow amount in the above notes.

Qualified Conclusion

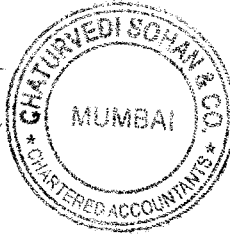
Based on our review except for the effect as described in the *basis of qualification* paragraph, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited Financial Results prepared in accordance with Indian Accounting Standards (Ind AS) notified under the companies (Indian Accounting Standards) Rule, 2015 as amended by the companies (Indian accounting standards) (Amendment) Rule, 2016 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement

For Chaturvedi Sohan & Co.

Chartered Accountants

Firm Reg. No.: 118424W

N. B. Noshir
Noshir Captain
Partner
M No: 009889
UDIN : 22009889BDCMXP9072



Date: 14-11-2022

Place : Mumbai

Annexure -A

Sr.No	Name of the Company	Nature of relationship
1	Systat Software Inc USA	Subsidiary
2	Systat Software Asia Pacific Limited	Subsidiary
3	Systat Software GMBH – Germany	Subsidiary
4	Cranes Software International Pte Limited – Singapore	Subsidiary
5	Cranes Software Inc	Subsidiary
6	Tilak Auto Tech Private Limited	Subsidiary
7	Analytix Systems Private Limited	Subsidiary
8	Caravel Info Systems Pvt Ltd	Subsidiary
9	Proland Software Pvt Ltd	Subsidiary
10	Esqube Communication Solutions Private Limited	Subsidiary
11	Cranes Varsity Pvt Ltd	Subsidiary